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LEASE INTENDED FOR SECURITY

Dated as of December 29, 1989

among

SOUTHERN PACIFIC TRANSPORTATION COMPANY as Lessee

FIRST INTERSTATE BANK OF CALIFORNIA as Trustee

CHASE COMMERCIAL CORPORATION,
SUN LIFE ASSURANCE COMPANY OF CANADA (U.S.),
SUN LIFE ASSURANCE COMPANY OF CANADA,

and

CHRYSLER CAPITAL CORPORATION, as Lessors



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LEASE INTENDED FOR SECURITY

This LEASE INTENDED FOR SECURITY (as amended and supplemented from time to time, this "Lease") dated as of December 29, 1989 is among SOUTHERN PACIFIC TRANSPORTATION COMPANY, a Delaware corporation ("Lessee"), with its principal office at Southern Pacific Building, One Market Plaza, San Francisco, California 94105; and FIRST INTERSTATE BANK OF CALIFORNIA, a state banking corporation ("Trustee"), not in its individual capacity (except as otherwise set forth below) but solely in its trustee capacity as trustee hereunder; and CHRYSLER CAPITAL CORPORATION, a Delaware corporation, CHASE COMMERCIAL CORPORATION, a Delaware corporation, SUN LIFE ASSURANCE COMPANY OF CANADA (U.S.), a Delaware corporation, and SUN LIFE ASSURANCE COMPANY OF CANADA, a corporation organized under the laws of the Province of Quebec (individually, "Lessor" and collectively, "Lessors").

Trustee agrees, for the account of Lessors, to acquire and lease to Lessee and Lessee agrees to sell to Trustee and hire from Trustee certain personal property (the "Units" and individually a "Unit") described in Annex I and Annex II to the Schedule (the "Schedule") attached hereto and made a part hereof, upon the terms and conditions hereinafter set forth:

Section 1. Procurement, Delivery and Acceptance.

- 1.1 On December 29, 1989, or such other date prior to January 1, 1990, to be mutually agreed upon by Lessors and Lessee (the "Delivery Date"), Trustee agrees, for the account of Lessors, to (a) purchase, with funds provided by Lessors, for the aggregate Purchase Price (as defined in Paragraph B of the Schedule) (i) from Lessee the Units set forth on Annex I to the Schedule, and (ii) from St. Louis Southwestern Railway Company, a Missouri corporation and an approximately 99.9% owned subsidiary of Lessee (the "Subsidiary") the Units set forth in Annex II to the Schedule; and (b) leaseback to Lessee the Units as provided herein; and Lessee agrees to sell to, or cause Subsidiary to sell to, and Lessee agrees to hire back from, Trustee the Units.
- 1.2 The obligation of Trustee to purchase from, and lease to, Lessee each Unit is subject to the following conditions, which conditions must be met on the Delivery Date (unless Lessors, Lessee and Trustee agree to another date with respect

to any given condition) in form and substance satisfactory to Lessors on which Trustee may rely:

- (a) Lessee and Subsidiary shall each have executed and delivered to Trustee a bill of sale (each a "Bill of Sale") with respect to each Unit to be sold by it to Trustee on the Delivery Date in the form of Exhibit A hereto;
- (b) Lessors and Trustee shall have received an appraisal of the Units from Coopers and Lybrand indicating the appraised value as of the Delivery Date (the "Appraised Value") of the Units, which appraisal may assume that the Units are "interchange qualified" pursuant to the Interchange Rules;
- (c) Lessee and Subsidiary each shall have provided evidence of its ownership of the Units free and clear of all liens, claims, security interests and encumbrances, including such searches for liens as Lessors deem appropriate;
- (d) Lessee shall inspect to its satisfaction and accept the Units by delivering to Trustee an acceptance certificate (the "Acceptance Certificate") in the form of Exhibit B hereto whereupon (i) the Units shall immediately become subject to and be governed by all the provisions of this Lease and (ii) Lessee shall be deemed by delivering the Acceptance Certificate to have reaffirmed each of its representations and warranties set forth in Section 1.3 hereof;
- (e) Lessee and Subsidiary shall have entered into a Sublease (as hereinafter defined), and the original Sublease shall have been delivered to Trustee;
- (f) There shall exist no Event of Default (as hereinafter defined), or any condition, event or act, which with notice or lapse of time or both, would become an Event of Default (an "Incipient Default"), which has not been remedied or waived:
- (g) There shall have been no material adverse change in the financial condition, operation or business of Lessee since September 30, 1989;
- (h) Lessors shall have received (i) an opinion of special counsel to Lessors and (ii) an opinion of Alvord and Alvord regarding the due form, filing and recording of this Lease;

- (i) Lessors and Trustee shall have received a certificate of the Secretary or an Assistant Secretary of Lessee and Subsidiary as to resolutions of the Board of Directors of such company (or other evidence satisfactory to Lessors and Trustee of the due authorization by such company of the execution, delivery and performance of the Bill of Sale, this Lease and any related documents to which it is a party), such company's corporate charter and bylaws, copies of all of which shall be attached to such certificate and certified as true, all evidencing such company's corporate authority to enter into and perform its obligations under this Lease and any related documents to which it is a party;
- (j) Lessors and Trustee shall have received a certificate as to the incumbency of the person or persons executing this Lease and any other agreements or documents required hereunder on behalf of Lessee and Subsidiary, including the signatures of such persons;
- (k) Lessors and Trustee shall have received certificates of insurance, loss payable endorsements, or other evidence acceptable to Lessors and Trustee that Lessee has complied with the provisions of Section 7 of this Lease:
- (1) Lessors and Trustee shall have received evidence that appropriate instruments have been filed in all jurisdictions necessary to properly perfect Trustee's interest in the Units;
- (m) Each Lessor shall have received from Lessee Certificates in their respective names evidencing their respective rights to receive in the aggregate 100% of the payments (i) in respect of the Balloon Payment (as defined in Paragraph G of the Schedule) and (ii) in respect of the remainder of the rent hereunder, in each case as set forth therein;
- (n) Lessors and Trustee shall have received an opinion of counsel to Lessee and Subsidiary;
- (o) Lessors shall have received an opinion of counsel to Trustee; and
- (p) Lessors and Trustee shall have received such other documents as may be reasonably requested by Lessors or Trustee.

If any of the foregoing conditions have not been met or waived by all Lessors and Trustee, with respect to all Units on or prior to the Delivery Date, neither Lessors nor Trustee will have any obligation to Lessee to pay the Purchase Price for any Unit.

- 1.3 Lessee represents and warrants as of the Delivery Date to Lessors and Trustee with respect to each Unit that:
 - (a) Lessee or Subsidiary, as the case may be, has the right, power and authority to sell each Unit as set forth herein;
 - (b) each Unit is, and the right, title and interest of Lessee or Subsidiary, as the case may be, in such Unit are, and as of the Delivery Date will be, free from all claims, liens, security interests and encumbrances other than Permitted Liens. "Permitted Liens" means (i) any rights of the parties pursuant to this Lease; (ii) any lien, claim, security interest or encumbrance against Lessee in favor of artisans securing payment of the price of goods or services rendered in the ordinary course of business for amounts the payment of which is not overdue or is being contested in good faith by appropriate proceedings promptly initiated and diligently prosecuted, provided that such lien shall not materially affect the interests of Lessors or Trustee hereunder; (iii) any lien arising as a result of acts or claims against any Lessor which are not resulting from the transactions contemplated hereby and (iv) liens for current taxes, assessments or other governmental charges which are not delinquent or the validity of which is being contested in good faith by appropriate proceedings promptly initiated and diligently prosecuted, provided that such lien shall not materially affect the interests of Lessors or Trustee hereunder;
 - (c) upon the filing of this Lease with the Interstate Commerce Commission and an appropriate financing statement with the Secretary of State in California and the payment of the aggregate Purchase Price for the Units by Trustee, Trustee will have an enforceable, perfected first priority security interest of record in the Collateral (as hereinafter defined) as against all persons including Lessee and Subsidiary and their respective creditors;
 - (d) to the best of Lessee's knowledge, the Purchase Price for each Unit is equal to or less than the fair market value of the Unit at the time of the sale to Trustee hereunder;

- (e) Lessee is a corporation duly organized and validly existing under the laws of Delaware, and Subsidiary is a corporation duly organized and validly existing under the laws of Missouri;
- (f) Each of Lessee and Subsidiary is duly qualified and in good standing in each jurisdiction in which its business, operations or assets requires such qualification where the failure so to qualify would materially and adversely affect its business, assets, financial condition or operations;
- (g) Lessee has corporate power and authority to enter into and perform its obligations under its Bill of Sale, this Lease and each related document to which Lessee is a party and Subsidiary has corporate power and authority to execute its Bill of Sale and the Sublease and sell and hire the Units sold by it pursuant to this Lease and hired by it pursuant to the Sublease;
- this Lease and each related document to (h) which Lessee or Subsidiary is a party have been duly authorized by all necessary corporate action on the part of such company and have been, or on or prior to the Delivery Date will have been, duly executed and delivered by such company, and neither the execution and delivery thereof, nor the consummation of the transactions on the part of such company contemplated thereby, nor compliance by such company with any of the terms and provisions thereof, (1) requires any approval of stockholders of such company, (2) contravenes or requires any affirmative action, notice or approval under any existing Federal, state or local law, judgment, governmental rule, regulation or order, or any rule promulgated by the A.A.R., (3) contravenes the material provisions of, or requires any affirmative action, notice or approval under any agreement by which such company or any of its property is bound or requires or permits the imposition of a lien upon any of its property (other than the lien contemplated by this Lease) or (4) contravenes the corporate charter or bylaws of such company;
- (i) this Lease and each related document to which Lessee or Subsidiary is a party is, or upon due execution and delivery thereof will be, the legal, valid and binding obligations of such company, enforceable against such company in accordance with its terms except as enforcement may be limited by bankruptcy, insolvency,

reorganization, moratorium or similar laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability.

- (j) all balance sheets and statements of operations which have been furnished by Lessee to Trustee, any Lessor or an agent of any Lessor for the purposes of or in connection with this Lease (including the balance sheet and statement of operations as of September 30, 1989, which have heretofore been delivered by Lessee to each Lessor) have been prepared in accordance with generally accepted accounting principles consistently applied throughout the periods involved and do present fairly the financial condition of Lessee and Subsidiary as of the dates thereof and the results of operations for the periods covered thereby;
- (k) since September 30, 1989 there has been no material adverse change in the consolidated financial condition, operations, assets or business of Lessee;
- (1) except as disclosed in Lessee's 1988 Annual Report on Form 10-K and Lessee's Quarterly Reports on Form 10-Q for the quarters ended March 31, June 30 and September 30, 1989, and except as otherwise disclosed in writing to Lessors, there are no proceedings pending or, to the best of Lessee's knowledge, threatened against or affecting Lessee or Subsidiary in any court or before any governmental authority or arbitration board or tribunal in which there is a reasonable possibility of an adverse decision that would materially and adversely affect Lessee's or Subsidiary's business or financial condition or their respective ability to perform their respective obligations hereunder;
- (m) neither Lessee nor Subsidiary nor any person authorized by either of them as agent or otherwise has offered any interest in the Units in a transaction similar to the transaction contemplated by this Lease for sale to, or solicited offers to buy from, or otherwise approached or negotiated with respect thereto with any prospective purchaser other than Trustee and Lessors, and no more than 75 other institutional investors, each of whom was offered the purchase of the Units at private sale for investment; and
- (n) both immediately before and immediately after giving effect to the transactions contemplated hereunder, Lessee and Subsidiary, respectively, (i) is and will be able to pay its debts as they become due, (ii) has

and will have assets which have a present fair saleable value greater on a going-concern basis than its probable liability on its debts as they become absolute and matured, (iii) has and will have assets on a going-concern basis which will have a fair value greater than the sum of all its debts, and (iv) does not have unreasonably small capital and is not engaged in business or transactions (or intends to be engaged in any businesses or transactions) for which it has or will have unreasonably small capital.

1.4 Lessee covenants that it shall deliver to Lessors:

- (a) within 45 days of the Delivery Date, an opinion of special Canadian counsel, in form and substance acceptable to Trustee and Lessors, and
- (b) within 45 days of the Delivery Date, an opinion of Alvord and Alvord (containing customary qualifications reasonably acceptable to Lessors) to the effect that this Lease was filed and recorded with the Interstate Commerce Commission, the Units are unencumbered except as to a first lien of record provided for herein, and that no other filing is necessary to provide notice to or enforce Trustee's and Lessor's rights against any other person.

Section 2. Term, Rent and Payment.

- 2.1 The term of this Lease as to each Unit shall commence on the Delivery Date and continue for five years, subject to the early termination provisions set forth in Paragraph F of the Schedule.
- 2.2 Lessee shall pay to Trustee for the account of Lessors rental for each Unit in the amounts and at the times set forth in Paragraph C of the Schedule.
- 2.3 Rent and all other sums due Trustee hereunder shall be paid in immediately available funds at the office of Trustee specified for receipt of notices in Section 22 (the "Trustee's Office"). Sums due directly to a Lessor hereunder shall be paid in immediately available funds: (i) if such sum is a payment under Sections 5 and 6.2, to such Lessor at such office of that Lessor as it from time to time specifies to Lessee in a notice pursuant to this Lease; and (ii) if such sum is a payment due under any other provision of this Lease, to Trustee as provided in the foregoing sentence.
- 2.4 This Lease is a net lease and Lessee's obligation to pay all rental, indemnity and other amounts payable hereunder

shall be absolute and unconditional under any and all circumstances and, without limiting the generality of the foregoing, Lessee shall not be entitled to any abatement or reduction of rent or any setoff against rent, indemnity or other amount, whether arising by reason of any past, present or future claims of any nature by Lessee against any Lessor or Trustee or the registered holder of any interest in this Lease, or otherwise. Except as otherwise expressly provided herein, this Lease shall not terminate, nor shall the obligations of Lessee be otherwise affected, (a) by reason of any defect in, damage to, or loss of possession or use, obsolescence or destruction, of any or all of the Units, however caused, or (b) by the taking or requisitioning of any or all of the Units by condemnation or otherwise, or (c) by the invalidity or unenforceability or lack of due authorization by any Lessor, Lessee or Trustee or other infirmity of this Lease, or (d) by lack of power or authority of any Lessor or Trustee to enter into this Lease, or (e) by the attachment of any lien, encumbrance, security interest or other right or claim of any third party to any Unit, or (f) by any prohibition or restriction of or interference with Lessee's use of any or all of the Units by any person or entity, or (g) by the insolvency of or the commencement by or against Lessee of any bankruptcy, reorganization or similar proceeding, or (h) by any other cause, whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding. is the intention of the parties that all rent, indemnities and other amounts payable by Lessee hereunder shall be payable in all events in the manner and at the times herein provided unless Lessee's obligations in respect thereof have been terminated or modified pursuant to the express provisions of this Lease. the extent permitted by applicable law, Lessee waives any and all rights which it may now have or which may at any time be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender this Lease, in whole or in part, except strictly in accordance with the express terms hereof. Each rental, indemnity or other payment made by Lessee hereunder shall be final, and Lessee shall not seek to recover all or any part of such payment from any Lessor or Trustee for any reason whatsoever.

Section 3. Warranties.

3.1 LESSEE ACKNOWLEDGES AND AGREES THAT (a) EACH UNIT IS OF A SIZE, DESIGN, CAPACITY AND MANUFACTURE SELECTED BY LESSEE, (b) LESSEE IS SATISFIED THAT THE SAME IS SUITABLE FOR ITS PURPOSES, (c) NEITHER ANY LESSOR NOR TRUSTEE IS A MANUFACTURER THEREOF OR A DEALER IN PROPERTY OF SUCH KIND AND (d) NEITHER ANY LESSOR NOR TRUSTEE HAS MADE, OR DOES OR WILL MAKE, (i) ANY REPRESENTATION OR WARRANTY OR COVENANT, WITH RESPECT TO THE TITLE, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE,

CONDITION, QUALITY, DESCRIPTION, DURABILITY OR SUITABILITY OF ANY SUCH UNIT IN ANY RESPECT OR IN CONNECTION WITH OR FOR THE PURPOSES AND USES OF LESSEE OR (ii) ANY OTHER REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO ANY UNIT, IT BEING AGREED THAT ALL RISKS, AS BETWEEN LESSORS AND TRUSTEE, ON THE ONE HAND, AND LESSEE, ON THE OTHER HAND, SHALL BE BORN BY LESSEE. Trustee assigns to Lessee, to the extent assignable, all of its interest, if any, in any warranties, covenants and representations of any manufacturer or vendor of any Unit; provided that such assignment shall be effective only when no Event of Default has occurred and is continuing; and provided, further, that any action taken by Lessee by reason thereof shall be at the expense of Lessee and shall be consistent with Lessee's obligations pursuant to this Lease.

3.2 Lessee acknowledges and agrees that neither any Lessor nor Trustee has made any representations and warranties concerning the tax, accounting or legal characteristics of this Lease and that Lessee has obtained and relied on such tax, accounting and legal advice regarding this Lease as it deems appropriate.

Section 4. Possession, Use and Maintenance.

4.1 Lessee shall not, and shall not permit Subsidiary to: (a) use, operate, maintain or store any Unit (i) except in accordance with industry practices or (ii) in violation of any applicable insurance policy or law or regulation of any governmental authority or the Interchange Rules; (b) abandon any Unit; (c) affix or place any Unit to or on any other personal property or to or on any real property without first obtaining and delivering to Trustee such waivers as Lessors may reasonably require to assure Trustee's rights, titles, and interests and right to remove the Unit, free from any lien, encumbrance or right of distraint, or any other claim which may be asserted by any third party as a result of the Unit being so affixed or placed; (d) permit any Unit to be located outside the continental United States except that at any one time no more than five percent of the aggregate Appraised Value of Units then under this Lease may be located in Canada or Mexico provided, that at any one time no more than two and one-half percent of the aggregate Appraised Value of the Units then under this Lease may be located in Mexico; (e) except as required or permitted by Section 4.2, sublease any Unit or permit the use thereof by anyone other than Lessee, except in the usual interchange of traffic or pursuant to run-through agreement, but only if such arrangements are otherwise consistent with Lessee's obligations under this Lease; or (f) except as set forth in Sections 5.2 and 25.2, sell, assign or transfer any of its rights hereunder or in any Unit, or directly or indirectly create, incur or suffer to

exist any lien, claim, security interest or encumbrance of any kind on any of its rights hereunder or in any Unit, except for Permitted Liens. Lessee will defend the sale by Lessee or Subsidiary to Trustee against the claims or demands of all persons.

- 4.2 Lessee shall lease to Subsidiary, pursuant to a sublease in substantially the form of Exhibit C hereto ("Sublease"), the Units sold by Subsidiary to Trustee in connection with this Lease. Lessee shall not, and shall not permit Subsidiary to, terminate, modify or vary the Sublease. In addition, so long as no Event of Default or Incipient Default exists, Lessee and Subsidiary may sublease or permit the use of Units by persons other than Lessee and Subsidiary subleasing each such Unit in the ordinary course of Lessee's and Subsidiary's business as conducted on the Delivery Date; provided that (i) the aggregate Appraised Value of Units at any time subleased or in use by other persons may not exceed \$15,000,000, (ii) no Unit may be subleased or used by another person for a period in excess of 36 months (which period shall not extend beyond the next to last day of the term of this Lease) or, if Lessee elects option (b) set forth in Paragraph G of the Schedule, (the next to last day of the 48th month of the term of this Lease), (iii) the sublease agreement is in writing, it shall be expressly subject and subordinate to this Lease and (iv) all of Lessee's or Subsidiary's rights, title and interest in, to and under such sublease shall be pledged by Lessee to Trustee, as collateral for Lessee's obligations under this Lease, and Lessee shall, at its expense, do any further act and execute, acknowledge, deliver, file, register and record any further documents which Trustee or any Lessor may reasonably request in order to create, perfect, preserve and protect Trustee's security interest in such agreement.
- 4.3 Lessee shall at its expense at all times during the term of this Lease maintain the Units in as good operating order, repair, condition and appearance, as they were on the Date of Delivery, ordinary wear and tear excepted, suitable for use in interchange (if required by any applicable interchange rule or supplement thereto of the Association of American Railroads ("A.A.R."), as such rules may be amended, modified or supplemented from time to time ("Interchange Rules")). Lessee shall in any event maintain the Units in as least as good a condition as comparable equipment owned or leased by it. Lessee will maintain or cause to be maintained and shall permit Trustee or any Lessor to inspect any records, logs and other materials required by any governmental authority having jurisdiction to be maintained or filed in respect of any Unit.
 - 4.4 Lessee shall not and shall not permit Subsidiary to,

alter any Unit or affix or place any accessory, equipment or device on any Unit, if such alteration or addition would impair the originally intended function or use or reduce the value of any Unit. All parts, accessories, equipment and devices affixed to or installed on any Unit, excluding temporary replacements, shall thereupon become subject to the security interest of Trustee. If no Event of Default exists, Lessee may remove, at its expense, any such accessories, equipment and devices at the expiration of the term of this Lease; provided, that (i) such removal will not impair the value or use which the Unit would have had at such time had such accessory, equipment or device not been affixed or placed to or on such Unit; (ii) such accessory, equipment or device was not affixed or placed on such Unit to comply with applicable laws and regulations; and (iii) such accessory, equipment or device is not necessary for the continued normal use of any such Unit.

- 4.5 Lessee shall as soon as practicable affix and keep labels, plates or other markings, stating that the Units are subject to a security interest of Trustee, upon a prominent place on each Unit during the term of this Lease.
- 4.6 Each Lessor and Trustee shall have the right at all reasonable times, upon notice to inspect any Unit and observe its use.

Section 5. General Tax Indemnity.

5.1 Lessee agrees to pay or reimburse each Lessor and Trustee for, and to indemnify and hold each Lessor and Trustee harmless from, all fees (including, but not limited to, license, documentation, recording or registration fees), and taxes (including but not limited to all sales, use, gross receipts, personal property, occupational, value added or other taxes, levies, imposts, duties, assessments, charges or withholdings of any nature whatsoever), together with any penalties, fines or additions to tax, or interest thereon (all of the foregoing being hereafter referred to as "Impositions"), arising at or relating to, any time prior to or during the term of this Lease, or upon any termination of this Lease or prior to or upon the return of the Units to any Lessor or Trustee, and levied or imposed upon any Lessor or Trustee, directly or otherwise, by any Federal, state or local government or taxing authority in the United States or by any foreign country or foreign or international taxing authority upon or with respect to (a) any Unit, (b) the exportation, importation, registration, purchase, ownership, delivery, condition, lease, assignment, storage, transportation, possession, use, operation, maintenance, repair, return, sale (including to Trustee or Lessee pursuant to this Lease), transfer of title or other disposition thereof, (c) the

rentals, receipts, or earnings arising from any Unit, or (d) this Lease or any payment made hereunder, excluding, however, income taxes to the extent they would have been imposed on a Lessor if on the Delivery Date such Lessor had advanced funds in the form of a loan secured by the Units to Lessee equal to the aggregate Purchase Price of the Units, debt service for such loan equal to scheduled rent was paid from time to time and a principal balance in the amount of the Balloon Payment remaining at the end of the term of this Lease was due at the end of such term.

- 5.2 Lessee agrees to pay on or before the time or times prescribed by law any Impositions (except any Impositions excluded by Section 5.1); provided, however, that Lessee shall be under no obligation to pay any such Imposition so long as (i) such Imposition is being contested in good faith and by appropriate legal proceedings, with appropriate reserves being maintained therefor, and (ii) the nonpayment thereof does not, in the reasonable opinion of any Lessor or Trustee (after consultation with Lessee), materially adversely affect the right of any Lessor or Trustee to receive payment of rentals or the Balloon Payment or involve a material risk of sale, forfeiture or loss of the Units, unless Lessee shall have provided to the Lessor or Trustee adequate security. If any Impositions (except any Impositions excluded by Section 5.1) shall have been charged or levied against any Lessor or Trustee directly and paid by such Lessor or Trustee, Lessee shall immediately reimburse such Lessor or Trustee, as appropriate, on presentation of an invoice therefor.
- 5.3 If the applicable Lessor or Trustee shall not be entitled to a corresponding and equal deduction with respect to any Imposition which Lessee is required to pay or reimburse under Sections 5.1 or 5.2 and which payment or reimbursement constitutes income to any Lessor or Trustee, then Lessee shall also pay to such Lessor or Trustee, as appropriate, on demand the amount of such Imposition on a gross-up basis such that, after subtracting all Impositions imposed on such Lessor or Trustee with respect to such payment by Lessee (including any Impositions otherwise excluded by Section 5.1 and assuming for this purpose that such Lessor or Trustee was subject to taxation at the highest applicable federal, state or local marginal rates) such Lessor or Trustee shall be fully reimbursed for the Imposition with respect to which such Lessor or Trustee is entitled to be paid or reimbursed.
- 5.4 Lessee shall properly prepare and file any reports or returns which may be required with respect to the Units or this Lease. If any Lessor or Trustee is obligated to file any reports or returns, then Lessee shall at least 10 days before

the same are due prepare the same and forward them to such Lessor or Trustee, as appropriate, with detailed instructions as to how to comply with all applicable filing requirements and funds in the amount of any payment required pursuant thereto.

Section 6. Risk of Loss; Waiver and Indemnity.

- 6.1 If any Unit shall be or become worn out, lost, stolen, destroyed, irreparably damaged from any cause whatsoever, damaged beyond economic repair, or rendered permanently unfit for normal use for any reason whatsoever, damaged so as to result in an insurance settlement on the basis of a total loss or a constructive or compromised total loss, taken or requisitioned by condemnation or otherwise or, as a result of any rule, regulation, order or other action of a governmental body having jurisdiction, the use in normal operation of such Unit shall have been prohibited for a period of more than 90 consecutive days, or for a period extending beyond the term of this Lease (any such occurrence being hereinafter called a "Casualty Occurrence"), prior to or during the term of this Lease, Lessee shall give Lessors and Trustee prompt notice thereof. On the scheduled first rental date more than 30 days following such Casualty Occurrence or, if there is no such scheduled rental payment date, 30 days after such Casualty Occurrence, Lessee shall pay to Trustee an amount equal to the product of (x) the then Balance Due (as hereinafter defined) multiplied by (y) the Unit Value Fraction (as hereinafter defined). The "Balance Due" is the sum of:
 - (a) any and all amounts which under the terms of this Lease are payable through the payment date; plus
 - (b) the sum of (i) the present value as of such payment date, discounted quarterly at 9.66% per annum, of the amount of each payment of rental set forth in Columns A and B of Annex III to the Schedule which would otherwise have accrued hereunder from such payment date to the end of the term of this Lease, (ii) the present value as of such payment date, discounted quarterly at 9.68% per annum, of each payment of rental set forth in Column C of Annex III to the Schedule which would otherwise have accrued hereunder from such payment date to the end of the term of this Lease and the portion of the Balloon Payment (as defined in Paragraph G of the Schedule) set forth in Column C of Annex III to the Schedule assuming the Balloon Payment were due at the end of the term of this Lease, and (iii) the present value as of such payment date, discounted quarterly at 12.5% per annum of each payment of rental set forth in Column D of Annex III to the Schedule which would otherwise have accrued hereunder from such payment date to

the end of the term of this Lease and the portion of the Balloon Payment set forth in Column D of <u>Annex III</u> to the Schedule assuming the Balloon Payment were due at the end of the term of this Lease.

The "Unit Value Fraction" is a fraction the numerator of which is the Purchase Price for the Unit as to which there has been a Casualty Occurrence (as set forth on Annex I or Annex II to the Schedule) and the denominator of which is the aggregate Purchase Price of all Units then subject to this Lease, including the Unit having suffered the Casualty Occurrence.

Until the making of such payment by Lessee, Lessee shall continue to make all rental payments due hereunder. Upon the making of such payment by Lessee in respect of any Unit, the remaining scheduled rental payments, if any, and the Balloon Payment due under this Lease shall each be reduced by an amount equal to the product of the scheduled amount of such rental payment or Balloon Payment prior to the receipt of such payment by Lessors times the Unit Value Fraction.

If Trustee has received the amount payable with respect to the Casualty Occurrence and all other amounts due hereunder and no Event of Default or Incipient Default exists, Lessee shall be entitled to receive from Trustee the proceeds of any recovery in respect of the Unit from insurance or otherwise ("Casualty Recoveries"); and Trustee, subject to the rights of any insurer insuring the Units as provided herein, shall execute and deliver to Lessee, or to its assignee or nominee, a quitclaim bill of sale (without representations or warranties except that the Unit is free and clear of all claims, liens, security interests and other encumbrances by or in favor of any person claiming by, through or under Trustee) for the Unit, and such other documents as may be required to release the Unit from the terms of this Lease, in such form as may reasonably be requested by Lessee, all at Lessee's expense. Except as hereinabove in this Section 6.1 provided, Lessee shall not be released from its obligations hereunder in the event of, and shall bear the risk of, any Casualty Occurrence to any Unit prior to or during the term of this Lease and thereafter until all of Lessee's obligations hereunder are fully performed.

6.2 Lessee waives and releases any claim now or hereafter existing against any Lessor or Trustee on account of, and shall indemnify, reimburse and hold each Lessor and Trustee harmless from, any and all claims by third parties (including, but not limited to, claims relating to trademark or patent infringement and claims based upon negligence, strict liability in tort, violation of laws, statutes, rules, codes or orders or claims arising out of any loss or damage to any property or death or

injury to any person), or any losses, damages or obligations owing to third parties, or any penalties, liabilities, demands, suits, judgments or causes of action, and all legal proceedings, and any costs or expenses in connection therewith (including reasonable allocated charges, costs and expenses of internal counsel of any Lessor and Trustee and any other reasonable attorneys' fees and expenses incurred by any Lessor and Trustee), which may be imposed on, incurred by or asserted against any Lessor or Trustee in any way relating to or arising in any manner out of (i) the registration, purchase, taking or foreclosure of a security interest in, ownership, delivery, condition, lease, assignment, storage, transportation, possession, use, operation, return or other disposition of any Collateral, including any Unit, prior to, during or after the term of this Lease, or which may be attributable to any defect in any such Collateral, arising from the material or any article used therein or from the design, testing or use thereof, or from any maintenance, service, repair, overhaul or testing of any such Collateral regardless of when such defect shall be discovered, whether or not such Collateral is in the possession of Lessee and no matter where it is located or (ii) this Lease or any other related document, the enforcement hereof or thereof or the consummation of the transactions contemplated hereby or thereby; provided, that Lessee shall not be obligated to indemnify any Lessor or Trustee for any such claim, loss, damage or liability which results from such Lessor's or Trustee's own willful misconduct or from acts or events that occur with respect to any Unit after the earlier of (A) the return of possession of any such Unit to Trustee pursuant to Section 9 and (B) the expiration of the term of this Lease; provided, however, that nothing in the preceding proviso shall be deemed to exclude or limit any claim that any indemnified person may have under this Lease or applicable laws for damages from the Lessee for breach of the Lessee's representations, warranties or covenants . contained herein.

Section 7. Insurance.

7.1 Lessee, at its own cost and expense, shall keep each Unit insured against "ALL RISKS", in no event for less than the Balance Due from time to time calculated as set forth in Section 6.1(b) with respect to such Unit (subject to the deductibles provided below), and shall maintain public liability and property damage insurance (including, without limitation, bodily injury and property damage liability, and contractual liability insurance) with respect to each Unit (i) in an amount equal to \$100,000,000 per occurrence or in such higher amounts as are prudent in the railroad industry, but in any event in amounts which are not less than the public liability and property damage insurance applicable to similar equipment on which Lessee

carries insurance and (ii) otherwise of the type usually carried by corporations engaged in the same or a similar business similarly situated with Lessee, and owning or operating similar equipment and which otherwise covers risks of the kind customarily insured against by such corporations, with no deductibles in excess of \$15,000,000 (or \$10,000,000 if the rating by Moody's or Standard & Poor of the Equipment Trust Certificates becomes lower than a single-A) per occurrence but which deductibles in all events shall not exceed such other deductibles as may be in effect with regard to other similar equipment owned or operated by Lessee, or such other amounts as Lessors and Lessee shall agree upon, provided it is expressly understood and agreed that any loss, cost or expense arising out of use of deductible shall be exclusively the cost and expense of the Lessee. All such insurance shall specify each Lessor and Trustee as additional insureds or by contractual liability coverage if additional insured coverage is not available and shall provide that such insurance may not be cancelable as to Lessors or Trustee (including for failure to pay premiums) or altered in any way which would adversely affect the interest of Lessors or Trustee, without at least 30 days' prior written notice to Lessors and Trustee. All liability insurance shall be of the "claims made" type, shall be primary, without right of contribution from any other insurance carried by any Lessor or Trustee, shall contain a "breach of warranty" provision (including a clause stating that the policy shall not be invalidated as against any Lessor or Trustee by reason of any action or failure to act of Lessee or any other person, except such Lessor or Trustee) satisfactory to a Deciding Interest of Lessors. All insurance covering loss or damage to Units shall provide for a waiver of any right of recovery or subrogation against Lessee, with respect to any liability of Lessee and shall provide that all amounts payable by reason of loss or damage to the Units shall be payable solely to Trustee. shall maintain the insurance coverage required hereunder continuously throughout the term of this Lease and thereafter if "ALL RISKS" insurance is not maintained by Lessee for three years, Lessee shall purchase "run-off" liability insurance for the maximum time period then available in the industry. insurance required hereunder may be provided by policies obtained specifically to cover the obligations set forth herein or under blanket policies of Lessee. All insurance covering loss or damage to the Units shall be subject to deductibles no greater than and on a value basis no less favorable to the insured than, those applicable to other similar property owned by Lessee.

7.2 Lessee shall furnish Trustee on the Delivery Date and at least once during each calendar year prior to insurance renewal during the term of this Lease for each policy maintained

by Lessee pursuant to Section 7.1, an insurance certificate signed by an independent insurance expert (which may be Lessee's insurance broker or carrier), certifying that the insurance required by Section 7.1 (which shall be specifically referred to in such certificate) is in full force and effect and protects the interests of Lessors and Trustee. Such insurance certificate shall provide that (i) the independent insurance expert will advise Lessors and Trustee in writing promptly of any default in the payment of any premium and of any other act or omission on the part of Lessee of which such independent insurance expert has knowledge and which might invalidate or render unenforceable in whole or in part any insurance on any Unit, (ii) the independent insurance expert undertakes to advise Lessors and Trustee in writing as soon as such independent insurance expert has knowledge that any insurance carried and maintained pursuant to Section 7.1 will not be renewed by the applicable underwriters and (iii) the broker undertakes that no insurance required to be provided pursuant to Section 7.1 shall be canceled or be allowed to lapse or materially altered in a manner adverse to any Lessor or the Trustee prior to 30 days after Lessors and Trustee have received written notice thereof. Certified copies of insurance policies will be provided to the Trustee or any Lessor upon its written request.

Section 8. Default.

- 8.1 The following shall constitute events of default (each an "Event of Default") hereunder:
 - (a) Lessee fails to make any payment required hereunder (including under the Schedule) when due;
 - (b) Any representation or warranty of Lessee contained herein (including in the Schedule) or in any document furnished to any Lessor or Trustee in connection herewith is incorrect, incomplete or misleading in any material respect;
 - (c) Lessee fails to comply with any of its obligations under Section 4.1(d), (e) and (f), Section 7.1 or Paragraph G of the Schedule, assigns this Lease or any of Lessee's rights or obligations hereunder other than as permitted in Section 13.2 or violates Section 25.2;
 - (d) Lessee fails to comply with its obligations under Section 4.1(a) through (c) and such noncompliance continues for 90 days after written notice thereof from any Lessor or Trustee to Lessee;
 - (e) Lessee fails to observe or perform any other

covenant or agreement made by Lessee hereunder and such failure continues for 30 days after written notice thereof from any Lessor or Trustee to Lessee;

- (f) Lessee becomes insolvent or generally fails to pay, or admits in writing its inability to pay, its debts as they become due; or makes an assignment for the benefit of creditors; or files or brings any petition, case or action under any bankruptcy, reorganization, insolvency or moratorium law, or any other similar law or laws for the relief of debtors; or takes any corporate action to authorize, or in furtherance of, any of the foregoing;
- (g) Any involuntary petition, case or action is filed or brought against Lessee under any bankruptcy, reorganization, insolvency or moratorium law or any other law or laws for the relief of, or relating to, debtors, or any receiver, trustee, custodian or similar official is appointed to take possession of all or a substantial portion of the properties of Lessee, and such petition, case, action or appointment is consented to, or acquiesced in by Lessee or is not set aside, dismissed or withdrawn or otherwise ceases to be in effect within 60 days from the date of said filing, bringing or appointment; or
- (h) A contribution failure occurs with respect to any pension plan as to which Lessee has any liability which contribution failure gives rise to a lien under Section 302(f) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").
- 8.2 If any Event of Default exists, Trustee shall have the rights, options and remedies of a secured party under the Uniform Commercial Code of California (regardless of whether such Code or a law similar thereto has been enacted in a jurisdiction wherein the rights or remedies are asserted), and, without limiting the foregoing, Trustee also may exercise in any order one or more or all of the remedies hereinafter set forth (it being understood that no remedy herein conferred is intended to be exclusive of any other remedy or remedies, but each and every remedy shall be cumulative and shall be in addition to every other remedy given herein or now or hereafter existing at law or in equity or by statute):
 - (a) Trustee may proceed by appropriate court action or actions either at law or in equity, to enforce performance by Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof; or
 - (b) Trustee may by notice in writing to Lessee

terminate this Lease, but Lessee shall remain liable as hereinafter provided; and Trustee may, at its option (subject, however, to Section 11.3), do any one or more of the following: (i) declare (A) the aggregate Balance Due with respect to the Units and (B) an amount equal to the Premium (as defined in Paragraph F of the Schedule), as if this Lease had been terminated by Lessee pursuant to Paragraph F of the Schedule on the date of such declaration, to be immediately due and payable, and recover any damages and expenses (including the costs and expenses described in Section 6.2) in addition thereto which any Lessor or Trustee shall have sustained by reason of the breach of any covenant, representation or warranty contained in this Lease (other than for the payment of scheduled rental); (ii) enforce the security interest given hereunder pursuant to the Uniform Commercial Code or any other law; (iii) enter upon the premises where any of the Collateral may be and take possession of all or any of such Collateral; and (iv) require Lessee to assemble and return the Units as provided in Section 9.

- 8.3 In addition to the remedies set forth in <u>Section 8.2</u>, if any Event of Default shall occur, Trustee may, but is not required to, sell the Collateral in one or more sales. Any Lessor and Trustee may purchase all or any part of the Collateral at such sale. Lessee acknowledges that sales for cash or on credit to a wholesaler, retailer or user of such Collateral, or at public or private auction, are all commercially reasonable. Any notice required by law of intended disposition by Trustee shall be deemed reasonably and properly given if given at least 10 days before such disposition.
- 8.4 The proceeds of such sale or exercise of other remedies shall be applied in the following order:
 - (a) First, to the payment of costs and expenses of each Lessor and Trustee in exercising remedies, including expenses of foreclosure or suit, if any, and of any sale, and of all other proper fees, expenses, liabilities and advances (including reasonable legal expenses and attorneys' fees, whether of special counsel or in respect of allocated time charges of internal counsel) of each Lessor and Trustee and of all taxes, assessments or liens superior to the lien of these presents, except any taxes, assessments or superior lien subject to which any sale of Collateral may have been made;
 - (b) <u>Second</u>, to the other amounts, except those specified in <u>clause (c)</u> below, which under the terms of this Lease have accrued;

- (c) Third, to Lessors to the extent of the aggregate Balance Due, plus any due but unpaid Premium, plus any unpaid interest accruing because of the late payment of the Balance Due or any Premium to the date of distribution; and
- (d) <u>Fourth</u>, to the payment of the surplus, if any, to whomsoever may be lawfully entitled to receive the same.

If there is a deficiency in any amounts due hereunder after Trustee has exercised remedies, Lessee will promptly pay the same to Trustee.

- 8.5 If Lessee fails to perform any of its agreements contained herein, whether or not an Event of Default exists, Trustee may perform such agreement, and the fees and expenses incurred by Trustee in connection with such performance together with interest thereon shall be payable by Lessee upon demand. Interest on fees and expenses so incurred by Trustee shall accrue as provided in Paragraph D of the Schedule from the date such expense is incurred until paid in full.
- 8.6 Lessee unconditionally and irrevocably appoints Trustee as its true and lawful attorney-in-fact, with full power of substitution, to the extent permitted by applicable law, in its name and stead and on its behalf, for the purpose of effectuating any sale, assignment, transfer or delivery hereunder, if an Event of Default occurs, whether pursuant to foreclosure or power of sale or otherwise, and in connection therewith to execute and deliver all such deeds, bills of sale, assignments, releases (including releases of this Lease on the records of any governmental body) and other proper instruments as Trustee may reasonably consider necessary or appropriate. Lessee ratifies and confirms all that such attorney or any substitute shall lawfully do by virtue hereof. If requested by Trustee or any purchaser, Lessee shall ratify and confirm any such lawful sale, assignment, transfer or delivery by executing and delivering to Trustee or such purchaser, all deeds, bills of sale, assignments, releases and other proper instruments to effect such ratification and confirmation as may be designated in any such request.

Section 9. Return of Units.

Subject to <u>Paragraph F</u> of the Schedule, if Trustee shall rightfully demand possession of any Unit pursuant to this Lease or otherwise, Lessee, at its expense, shall forthwith deliver possession of such Unit to Trustee by delivering the Unit,

appropriately protected and in the condition required by <u>Section</u> 4, to Trustee at such place or places as may be specified by Trustee.

Section 10. Distributions to Lessors.

All amounts of money received or realized by Trustee pursuant to this Lease which are to be distributed to any Lessor (as distinguished from Lessee or any other person) shall be distributed as follows:

- Balance Due to be due and payable, Trustee shall distribute each payment of rental and any Balloon Payment, any payment pursuant to clause (b) of Paragraph G of the Schedule, and any payment of interest pursuant to Section 16 on any overdue installment of rent or any other payment, received by it to each Lessor entitled to receive such payment pursuant to the terms of such Lessor's Certificate, and in case moneys are insufficient to pay in full all amounts to be then distributed pursuant to this Section 10.1, then application shall be made first to unpaid accrued interest pursuant to Section 16 on any overdue installment of rent or other payment, and second to the payment of rental and any Balloon Payment or to obligations under clause (b) of Paragraph G of the Schedule.
- 10.2 If no Event of Default exists, Trustee shall distribute all payments (including, without limitation, insurance proceeds) it receives under or pursuant to this Lease in respect of a Casualty Occurrence or in respect of early termination of the Lease, and any payment it receives directly or through Lessee from any insurer, governmental body or any other person (to the extent that Lessee is not entitled thereto) with respect to a Casualty Occurrence, to each Lessor as its interest may appear on its Certificate pro rata, without preference or priority of any Lessor over another, in such amount as is required to pay in full the aggregate unpaid Balance Due or Termination Value, as appropriate, in connection with the Units with respect to which a Casualty Occurrence or a termination of the Lease shall have occurred.
- 10.3 After Trustee has declared the aggregate Balance Due due and payable, Trustee shall, after complying with paragraphs (a) and (b) of Section 8.4, distribute all moneys received and amounts realized by it (including any amounts realized by Trustee pursuant to the exercise of any of the remedies pursuant to this Lease) to the payment to Lessors, pro rata, without preference or priority of any Lessor over another, in accordance with their respective Certificates, of the Balance Due, plus any due but unpaid Premium, plus any unpaid interest accruing

because of the late payment of the Balance Due or any Premium to the date of distribution; and in case moneys are insufficient to pay in full the whole amount due, owing or unpaid to Lessors pursuant to the Certificates, this Lease and any related documents, then application shall be made first to unpaid accrued interest thereon, second, to unpaid Premium, and, third, to the Balance Due; such application to be made upon presentation of the Certificates to Trustee, and notation thereon of the payment, if partially paid, or the surrender or cancellation thereof, if fully paid.

- 10.4 Trustee shall distribute each payment not described in Sections 10.1, 10.2, or 10.3, to each Lessor entitled to receive such payment pursuant to the terms of this Lease.
- Sections 10.1, 10.2 or 10.3 shall be made pro rata, without preference or priority of any Lessor over another, in accordance with the amounts due each Lessor at the time of such payment in respect of the types of obligations described in the section pursuant to which such distribution is being made, except only in the case of a distribution under Section 10.1 for the priorities as between Lessors holding Certificates which grant a right to all or a portion of the payments due at the end of the term of this Lease pursuant to Paragraph G of the Schedule (the "Residual Certificates") designated in such Residual Certificates as Class I Certificates ("Class I Certificates") and Lessors holding Residual Certificates designated therein as Class II Certificates ("Class II Certificates") as set forth in Section 10.6.

10.6 Trustee shall distribute:

- (a) Payments received pursuant to clause (b) of Paragraph G of the Schedule (other than the proceeds of a sale therein) that are being distributed under Section 10.1 to Lessors holding Residual Certificates, first to Lessors holding Class I Certificates until such Lessors, in accordance with their Certificates, have received the entire amount payable to them, and then to Lessors holding Class II Certificates;
- (b) Proceeds from the sale or other disposition of the Units that are being distributed under <u>Section 10.1</u> to Lessors holding Residual Certificates, first to Lessors holding Class II Certificates until such Lessors, in accordance with their Certificates, have received the entire amount payable to them, and then to Lessors holding Class I Certificates; and

- (c) Any monies received after the occurrence of an Event of Default and foreclosure by Trustee on, or other disposition, or receipt by Trustee from Lessee of, the Units that remain after the Lessors holding Certificates have received the entire amounts payable to them to all Lessors pro rata on the basis of each Lessor's original investment in the Certificates which they held at the time of receipt of the entire amount payable to them.
- 10.7 The amounts payable by Trustee to Lessors pursuant to this Lease will be payable upon Trustee receiving the same pursuant to this Lease at the Trustee's Office, in immediately available funds. Notwithstanding the foregoing, Trustee will pay, if requested in writing by any Lessor, all amounts payable by Trustee hereunder to the Lessor either by crediting, on a same day basis, to an account maintained by the Lessor with Trustee or by transferring on the Business Day (as defined in Paragraph C of the Schedule) received, by wire, in immediately available federal funds, to an account maintained by the Lessor with any bank located in the United States maintaining wire transfer facilities, the amounts to be distributed to the Lessor.

Section 11. Appointment of Trustee; Powers and Indemnities; Actions, Compensation.

11.1 (a) Each Lessor irrevocably appoints and authorizes First Interstate Bank of California to act as agent hereunder, with such powers as are specifically delegated to Trustee by the terms of this Lease, together with such other powers as are reasonably incidental thereto. Each Lessor authorizes and directs Trustee to, and Trustee agrees for the benefit of Lessors, that, on the Delivery Date it will accept the documents described in Section 1.2. Trustee accepts the agency or trust hereby created applicable to it and agrees to receive all payments and proceeds pursuant to this Lease and disburse such payments or proceeds in accordance with this Lease. respect to any representation, warranty or covenant expressly made by Trustee in Section 12, Trustee shall have no duties or responsibilities except those expressly set forth in this Lease. Trustee shall not be responsible to any Lessor (or to any other party) (i) for any recitals, statements, representations or warranties of any other party contained in this Lease, or in any certificate or other document referred to or provided for in, or received by any of them under, this Lease, or (ii) for the value, validity, effectiveness, genuineness, enforceability or sufficiency of the Collateral or the title thereto (subject to Section 12.2) or of this Lease or any other document referred to or provided for herein or (iii) for any failure by Lessee, any Lessor or any other third party

to perform any of its obligations hereunder. Trustee may employ agents, trustees or attorneys-in-fact, may vest any of them with any property, title, right or power deemed necessary for the purposes of such appointment and shall not be responsible for the negligence or misconduct of any of them selected by it with reasonable care. Neither Trustee nor any of its directors, officers, employees or agents shall be liable or responsible for any action taken or omitted to be taken by it or them hereunder, or in connection herewith, except for its or their own gross negligence or willful misconduct, or for the inaccuracy of any representation or warranty, or breach of any covenant in Section 12 or on account of its failure to disburse properly funds received by it.

- Trustee shall not have any duty or obligation to manage, control, use, operate, store, lease, sell, dispose of or otherwise deal with any Unit or this Lease, or to otherwise take or refrain from taking any action under, or in connection with, this Lease or any related document to which Trustee is a party, except as expressly provided by the terms hereof, and no implied duties of any kind shall be read into this Lease against The permissive right of Trustee to do things enumerated in this Lease shall never be construed as a duty unless Trustee is instructed or directed to exercise, perform or enforce such right by Lessors or a Deciding Interest of Lessors, as appropriate, pursuant to the terms of this Lease. Subject to Section 11.1(c) below, unless Trustee is acting as a Lessor, as provided in Section 11.1(d), and in such capacity it is required to do so, no provision of this Lease shall require Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its obligations hereunder, or in the exercise of any of its rights or powers hereunder. It is understood and agreed that the duties of the Trustee are ministerial in nature.
- (c) Except as specifically provided herein, Trustee acts solely as trustee and, except as specifically provided herein, is not responsible to any party hereto in its individual capacity, except with respect to any claim arising from Trustee's gross negligence or willful misconduct or any breach of a representation or covenant made in its individual capacity or on account of its failure to disburse properly funds received by it pursuant hereto.
- (d) Trustee in its individual capacity may become a Lessor and hold an interest in this Lease and, in such capacity, shall have the same rights and powers under this Lease as any other Lessor. Trustee may accept deposits from, lend money to and otherwise deal with Lessee or its affiliates with the same rights as it would have if it were not Trustee.

- 11.2 Trustee may rely upon, and shall not be bound or obligated to make any investigation into the facts or matters stated in, any certificate, notice or other communication (including any communication by telephone, telecopy, telex, telegram or cable) reasonably believed by it to be genuine and correct and to have been made, signed or sent by or on behalf of the proper person or persons, and upon advice and statements of legal counsel, independent accountants and other experts selected by Trustee (including any expert selected by Trustee to aid Trustee in any calculations required in connection with its duties under this Lease).
- 11.3 Subject to Sections 11.4, 11.6 and 20, upon written instructions of a Deciding Interest of Lessors, Trustee shall give such notice or direction, exercise such right, remedy or power hereunder or in respect of any Unit, and give such consent or enter into such amendment to any document to which it is a party as Trustee as may be specified in such instructions. Trustee shall have no obligation to investigate or determine whether there has been an Event of Default or an Incipient Default. Trustee shall not be deemed to have notice or knowledge of an Event of Default or Incipient Default unless notified in writing of such Event of Default or Incipient Default at Trustee's Office or an officer of the corporate agencies administration division of the trust department of Trustee has actual knowledge of such Event of Default or Incipient Default. If Trustee receives notice of the occurrence of an Event of Default, Trustee shall give prompt notice thereof to every Lessor. Subject to Sections 11.4, 11.6 and 20, Trustee shall take action or refrain from taking action with respect to such Event of Default as directed by a Deciding Interest of Lessors; provided, that, unless and until Trustee receives such directions, Trustee shall refrain from taking any action with respect to such Event of Default. As to any matters not expressly provided for by this Lease, Trustee shall in all cases be fully protected in acting, or in refraining from acting, hereunder in accordance with instructions signed by a Deciding Interest of Lessors, and such instructions of a Deciding Interest of Lessors and any action taken or failure to act pursuant thereto shall be binding on each Lessor.

"Deciding Interest of Lessors" shall mean holders of Certificates representing more than 50 percent of the Balance Due calculated, at the time of giving the relevant instruction or taking of action, in accordance with Section 6.1.

11.4 Each Lessor shall reimburse and hold Trustee harmless, ratably in accordance with its then allocated share of the Balance Due calculated, at the time the indemnification is

required to be given, in accordance with Section 6.1, from any and all claims, losses, damages, obligations, penalties, liabilities, demands, suits, judgments, or causes of action, and all legal proceedings, and any costs or expenses in connection therewith, including allocated charges, costs and expenses of internal counsel of Trustee and all other attorneys' fees and expenses incurred by Trustee, in any way relating to or arising in any manner out of (i) this Lease or any other related document, the enforcement hereof or thereof or the consummation of the transactions contemplated hereby or thereby or (ii) instructions from a Deciding Interest of Lessors (including, without limitation, the costs and expenses that Lessee is obligated to pay hereunder, but excluding normal administrative costs and expenses incident to the performance by Trustee of its agency duties hereunder other than materially increased administrative costs and expenses incurred as a result of an Event of Default); provided, that no Lessor shall be liable for any of the foregoing to the extent they arise from the gross negligence or willful misconduct of Trustee or from the inaccuracy of any representation or warranty or breach of any covenant in Section 12 or on account of its failure to disburse properly funds received by it.

- 11.5 Each Lessor by accepting its Certificate agrees that it has, independently and without reliance on Trustee or any other Lessor and based on such documents and information as it has deemed appropriate, made its own credit analysis of Lessee and its own decision to enter into this Lease and all related documents to which it is a party and that it will, independently and without reliance upon Trustee or any other Lessor, and based on such documents and information as it shall deem appropriate at the time, continue to make its own analysis and decisions in taking action under this Lease and any related documents to which it is a party. Trustee shall not be required to keep itself informed as to the performance or observance by Lessee of any other document referred to (directly or indirectly) or provided for herein or therein or to inspect the properties or books of Lessee. Except for notices which Trustee is expressly required to give under this Lease and for notices, reports and other documents and information expressly required to be furnished to Trustee alone (and not also to each Lessor) hereunder or under any related document, Trustee shall not have any duty or responsibility to provide any Lessor with copies of notices or with any credit or other information concerning the affairs, financial condition or business of Lessee (or any of its affiliates) that may come into the possession of Trustee or any of its affiliates.
- 11.6 Except for notices expressly required of Trustee hereunder and except for the performance of the covenants in

- Section 12.2, Trustee shall in all cases be fully justified in failing or refusing to act unless (a) it is indemnified to its reasonable satisfaction by Lessors against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action and (b) it is reasonably satisfied that such action is not contrary to this Lease or any related document or to any applicable law.
- 11.7 Subject to the appointment and acceptance of a successor Trustee as provided below, Trustee may resign at any time by giving notice thereof to each Lessor. Upon any such resignation, the Deciding Interest of Lessors at the time of the appointment shall have the right to appoint a successor Trustee which, unless it is a Lessor, shall be a bank having a combined capital and surplus of not less than \$75,000,000, having its principal office in the United States of America. If, within 30 calendar days after the retiring Trustee's giving of notice of resignation, a successor Trustee is not so appointed and does not accept such appointment, then the retiring Trustee may appoint a successor Trustee, and transfer to such successor Trustee all rights and obligations of the retiring Trustee. Such successor Trustee shall be a bank having combined capital and surplus of not less than \$75,000,000, having its principal office in the United States of America. Upon the acceptance of any appointment as Trustee hereunder by a successor Trustee, such successor Trustee shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Trustee and the retiring Trustee shall be discharged from duties and obligations as Trustee thereafter arising hereunder and under any related document. If the retiring Trustee does not appoint a successor, any one Lessor shall be entitled to apply to a court of competent jurisdiction for such appointment, and such court may thereupon appoint a successor to act until such time, if any, as a successor shall have been appointed as above provided.
- 11.8 A Deciding Interest of Lessors may, and if they fail to do so at any time when they are required so to do, the Trustee shall, for the purpose of meeting any legal requirements of any jurisdiction in which any Unit may be located, appoint one or more individuals or corporations either to act as co-trustee jointly with Trustee or to act as separate trustee of all or any part of the Units or the Lease, and vest in such individuals or corporations, in such capacity, such title to the Units or the Lease or any part thereof, and such rights or duties as Trustee may consider necessary or desirable. The Trustee shall not be required to qualify to do business in any jurisdiction where it is not now so qualified. Trustee shall execute, acknowledge and deliver all such instruments as may be required by any such co-trustee or separate trustee more fully

confirming such title, rights or duties to such co-trustee or separate trustee. Upon the acceptance in writing of such appointment by any such co-trustee or separate trustee, it or he shall be vested with such interest in the Units and this Lease or any part thereof, and with such rights and duties, not inconsistent with the provisions of this Lease, as shall be specified in the instrument of appointment, jointly with Trustee (except insofar as local law makes it necessary for any such co-trustee or separate trustee to act alone), subject to all terms of this Lease. Any co-trustee or separate trustee, to the fullest extent permitted by legal requirements of the relevant jurisdiction, at any time, by an instrument in writing, shall constitute Trustee its or his attorney-in-fact and agent, with full power and authority to do all acts and things and to exercise all discretion on its or his behalf and in its or his name. If any co-trustee or separate trustee shall die, become incapable of acting, resign or be removed, the interest in the Units and this Lease and all rights and duties of such co-trustee or separate trustee shall, so far as permitted by law, vest in and be exercised by Trustee, without the appointment of a successor to such co-trustee or separate trustee.

- 11.9 The agency and trust created hereby shall terminate upon the earlier of (i) the final disposition by Trustee of all Collateral at any time subject hereto and the final distribution by Trustee of all monies or other property or proceeds received pursuant to this Lease in accordance with Section 10, provided that at such time Lessee shall have fully complied with all the terms hereof, or (ii) twenty-one years less one day after the date first above written; whereupon all monies or other property or proceeds held by Trustee pursuant hereto shall be distributed in accordance with Sections 8.4 and 10. Otherwise the trusts created hereby shall continue in full force and effect.
- 11.10 Lessee shall pay Trustee its reasonable and customary fees, costs and expenses for the performance of Trustee's obligations hereunder.

Section 12. Trustee and Lessor Representations, Warranties and Covenants.

- 12.1 Trustee, in its individual capacity, represents and warrants to each of the other parties hereto, as follows:
 - (a) Trustee, in its individual capacity, is a state banking corporation organized and validly existing under the laws of the State of California.

- (b) Trustee, in its individual capacity, has the power and authority to enter into and perform its obligations under this Lease and any related document to which Trustee is a party;
- (c) this Lease and each related document to which Trustee, in either capacity, is a party have been duly authorized by all necessary corporate action on the part of Trustee, in its individual capacity, and have been, or prior to the Delivery Date will have been, duly executed and delivered by Trustee, in its individual capacity, and neither the execution and delivery thereof, nor the consummation of the transactions on the part of Trustee, in its individual capacity, contemplated hereby and thereby, nor compliance by Trustee, in its individual capacity, with any of the terms and provisions thereof, (i) requires any approval of the stockholders of Trustee, (ii) contravenes or requires any notice or approval of any existing Federal, state or local law, judgment, governmental rule, regulation or order, governing the banking, trust or agency powers of Trustee or (iii) contravenes the restated articles of incorporation or bylaws of Trustee, in its individual capacity; and
- (d) this Lease and each related document to which Trustee, in either capacity, is a party are, or upon due execution and delivery thereof will be, the legal, valid and binding obligation of Trustee, in either capacity, enforceable against Trustee, in either capacity, in accordance with its terms except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability.
- 12.2 Trustee, in its individual capacity, covenants with each of the other parties hereto as follows:
 - (a) So long as this Lease remains in effect or so long as the obligations of Lessee arising hereunder have not been fully and finally discharged, Trustee, in its individual capacity, (i) will keep this Lease and all Collateral free and clear of all liens, claims and encumbrances arising by, through or under Trustee, in its individual capacity, which are unrelated to the transactions contemplated by this Lease and shall indemnify, reimburse and hold each Lessor and Lessee harmless from any and all claims, losses, damages, obligations, penalties, liabilities, demands, suits, or causes of action and all legal proceedings, and any costs

or expenses in connection therewith, including reasonable legal fees and expenses, of whatever kind and nature, imposed on, incurred by or asserted against any Lessor or Lessee in any way relating to, or arising in any manner out of, Trustee's failure to comply with this paragraph (a) or paragraph (c) of this Section 12.2 and (ii) covenants that it will not, through its own actions, interfere in the Lessee's (or any sublessee's or assignee's) quiet enjoyment of any Unit during the term of this Lease, except as permitted or required by the terms of this Lease;

- (b) Within 15 days of the end of each calendar quarter, and upon any reasonable request therefor by any Lessor, Trustee will furnish each Lessor with a written statement specifying all amounts paid under this Lease by Lessee during the four complete calendar quarters next preceding such request (and showing the allocation of such amounts among the various Lessors and, where relevant, Certificates) and any other matter reasonably specified in such request with respect to the status of the Lease and the Certificates; and
- (c) Trustee shall apply funds held by it in its capacity as trustee hereunder as required by this Lease.
- 12.3 Each Lessor represents and warrants to each of the other parties hereto, as follows:
 - (a) it will be acquiring the Certificates for its own account for investment purposes and not with a view toward, or for sale in connection with, any distribution thereof, nor with any present intention of distributing or selling such Certificate, provided that, subject to applicable securities laws, the disposition of such Lessor's Certificate shall at all times remain within such Lessor's control;
 - (b) it will not be acquiring the Certificate with the assets of a separate account or an employee benefit plan (or its related trust) as defined in Section 3 of ERISA, or with the assets of a plan (or its related trust) as defined in Section 4975(e)(1) of the Internal Revenue Code of 1986 as amended, or with any assets which are "plan assets" within the meaning of Department of Labor regulation Section 2510.3-101; and
 - (c) provided that no Incipient Default or Event of Default exists, it will not, through its own actions, interfere in the Lessee's (or any sublessee's or

assignee's) quiet enjoyment of any Unit during the term of this Lease.

Section 13. Assignments.

- 13.1 All or any of the right, title or interest and obligations of any Lessor in and to this Lease and the rights, benefits, advantages and obligations of any Lessor hereunder, including the rights to receive payment of rental or any other payment hereunder, and the rights, titles and interests in and to the Units, may be assigned or transferred by such Lessor at any time by transfer of the Certificate representing such interest in accordance with the provisions of Section 14; provided, that any assignee or transferee must represent that:
 - (a) it is a sophisticated investor with sufficient knowledge and experience in financial and business matters to enable it to evaluate the merits and risks of acquiring a Certificate;
 - (b) it will be acquiring the Certificates for its own account for investment purposes and not with a view toward, or for sale in connection with, any distribution thereof, nor with any present intention of distributing or selling such Certificate, provided that, subject to applicable securities laws, the disposition of the transferee's Certificate shall at all times remain within the transferee's control;
 - (c) it will not be acquiring the Certificate with the assets of a separate account or an employee benefit plan (or its related trust) as defined in Section 3 of ERISA, or with the assets of a plan (or its related trust) as defined in Section 4975(e)(1) of the Internal Revenue Code of 1986 as amended, or with any assets which are "plan assets" within the meaning of Department of Labor regulation Section 2510.3-101, unless the acquisition qualifies for an exemption from the prohibited transaction rules under Section 406 of ERISA and Section 4975 of the Internal Revenue Code of 1986, as amended;
 - (d) it understands that because the Certificate has not been registered under the Securities Act of 1933, as amended (the "Act"), it may have to bear the economic risk thereof for an indefinite period of time, and that the Certificate may not be able to be sold, transferred or otherwise disposed of without registration under the Act, except pursuant to an exemption from registration available under the Act;

- (e) it will not transfer the Certificate unless the proposed transferee makes the foregoing representations; and
- (f) it will not take any action that would by itself subject transfer of the Certificate to the provisions of Section 5 of the Act.
- 13.2 Lessee shall not sell, assign, transfer or otherwise dispose of its rights or delegate its obligations under this Lease to any other person, except as permitted or required by Section 4.2.

Section 14. Registration, Transfer, Exchange and Replacement of Certificates.

14.1 The interests of each Lessor shall be evidenced by a certificate or certificates in the form of Exhibit D hereto, with appropriate insertions, and indicating such Lessor's interest (each such certificate being a "Certificate"). addition to the agency established pursuant to Section 11, Trustee is appointed the agent of Lessee for the limited purpose of transfer and exchange of the Certificates, and, as such, Lessee agrees that Trustee shall be entitled to, and Lessee shall be bound by, the provisions of Section 11 with respect to Trustee shall, as agent for Lessee, maintain at such agency. its office a register for the purpose of registering the Certificate or Certificates originally issued hereunder and all transfers and exchanges thereof. A Lessor intending to transfer any or all of its Certificates, or to exchange any or all of its Certificates for Certificates evidencing a different interest, shall surrender such Certificate or Certificates to Trustee at Trustee's Office, together with a written request from such Lessor for the issuance of a new Certificate or Certificates, specifying the interests to be evidenced thereby and, in the case of a surrender for registration of transfer, the name and address of the new Lessor. Promptly upon receipt of such documents by Trustee, Lessee shall execute, and Trustee shall authenticate and deliver, a new Certificate or Certificates in the same form, evidencing the same aggregate interest and dated the same date or dates as the Certificate or Certificates surrendered. Trustee shall make a notation on each new Certificate of the amount of all payments previously made on the old Certificate or Certificates with respect to which such new Certificate is issued and the date to which payments with respect to the old Certificate or Certificates have been paid. Trustee and Lessee may deem the owner of each Certificate reflected in the register as the owner thereof for all purposes. Trustee shall not be responsible for determining if any transferee satisfies the requirements of Section 13.1.

14.2 If any Lessor's Certificate shall become mutilated, destroyed, lost or stolen, Lessee shall, upon the written request of the appropriate Lessor, execute, and Trustee shall authenticate and deliver in replacement thereof, a new Certificate in the same form, evidencing the same interest and dated the same date as the Certificate so mutilated, destroyed, lost or stolen. If the Certificate being replaced has become mutilated, such Certificate shall be surrendered to Trustee and a photocopy thereof shall be furnished to Lessee by Trustee. the Certificate being replaced has been destroyed, lost or stolen, the Lessor requesting a replacement Certificate shall furnish to Lessee and Trustee such reasonable security or indemnity as may be required by each of them to save them harmless if the Lessor has not furnished them satisfactory evidence of the destruction, loss or theft of the Certificate; provided, that if the Certificate being replaced is registered in the name of an initial Lessor, then the affidavit of such person's President or Vice President, in form reasonably satisfactory to Trustee, setting forth the fact of destruction, loss or theft and of ownership of the Certificate at the time thereof shall be satisfactory evidence and no security or indemnity shall be required other than the written agreement of such person, in form reasonably satisfactory to Trustee, to indemnify and hold harmless Lessee and Trustee from all risks resulting from the authentication and delivery of a substitute Certificate.

Section 15. Ownership, Grant of Security Interest and Further Assurances.

15.1 Title to the Units shall remain in Trustee as security for the obligations of Lessee hereunder and under the related documents to which it is a party until Lessee has fulfilled all of its obligations hereunder and under the related documents to which it is a party. Lessee hereby assigns, hypothecates, transfers and pledges to Trustee for the benefit of Lessors and Trustee, and grants to Trustee a security interest for the benefit of Lessors and Trustee in the Sublease and any other subleases or assignments subsequently entered into by Lessee covering any Unit and each of Lessee and Subsidiary hereby grants to Trustee for the benefit of Lessors and Trustee a continuing security interest in the Units (including the property described in Section 4.4) and in all proceeds thereof (including insurance proceeds) in each case, whether now owned or hereafter acquired (all such property in which a security interest is granted by this Lease is referred to herein as "Collateral"), to secure the payment of all sums due hereunder and under the related documents to which it is a party and the performance of all other obligations hereunder and under the

related documents to which it is a party and agrees, at its expense, to do any further reasonable act and execute, acknowledge, deliver, file, register and record any further documents which Trustee or a Deciding Interest of Lessors may reasonably request in order to protect Trustee's title to and first priority security interest in the Collateral and Lessors' and Trustee's rights and benefits under this Lease.

15.2 If Lessee would be entitled to any amount (including any Casualty Recoveries) or title to any Unit hereunder but for the existence of any Event of Default or Incipient Default, Trustee shall hold such amount or Unit as part of the Collateral and shall be entitled to apply such amounts against any amounts due hereunder; provided, that Trustee shall distribute such amount or transfer such Unit in accordance with the other terms of this Lease if and when no Event of Default or Incipient Default exists.

Section 16. Late Payments, Etc.

Lessee shall pay to Trustee, on demand, interest at the rate set forth in Paragraph D of the Schedule on the amount of any payment not made when due hereunder from the date due until payment is made.

Section 17. Effect of Waiver.

No delay or omission to exercise any right, power or remedy accruing to Trustee or any Lessor upon any breach or default of Lessee hereunder shall impair any such right, power or remedy nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein or of or in any similar breach or default thereafter occurring, nor shall any single or partial exercise of any right, power or remedy preclude other or further exercise thereof, or the exercise of any other right, power or remedy, nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of Lessors or Trustee of any breach or default under this Lease must be specifically set forth in writing and must satisfy the requirements set forth in Section 20 hereof with respect to approval by Lessors and Trustee.

Section 18. Survival of Covenants.

All representations, warranties and covenants of Lessee under Sections 3, 4, 5, 6.2, 11.4 (with respect to each Lessor), 11.10, 15 and 16 and $\overline{Paragraphs}$ C and G of the Schedule shall

survive the expiration or termination of this Lease to the extent arising prior to any such expiration or termination.

Section 19. Applicable Law.

THIS LEASE SHALL BE GOVERNED BY AND CONSTRUED UNDER THE LAWS OF CALIFORNIA WITHOUT REGARD TO CONFLICT OF LAW PRINCIPLES.

Section 20. Effect and Modification of Lease.

- 20.1 This Lease exclusively and completely states the rights of Trustee, Lessors and Lessee with respect to the leasing of the Units and supersedes all prior agreements, oral or written, with respect thereto. No variation, modification amendment or waiver of this Lease shall be valid unless in writing and signed by Trustee with the consent of a Deciding Interest of Lessors and by Lessee. No variation, modification amendment or waiver of this Lease purporting to (i) postpone, reduce or forgive, in whole or in part, any rental payment, Balloon Payment, Premium, Balance Due, interest or other amount payable hereunder, or modify the definition, or method of calculation, of any rental payment, Balloon Payment, Premium, Balance Due, interest or other amount payable hereunder, (ii) release any Collateral granted hereunder (except as expressly provided in Sections 6 and 15.2 and Paragraph F of the Schedule), or (iii) modify this sentence or the definition of "Deciding Interest of Lessors" shall be valid unless in writing and signed by Trustee with the consent of all Lessors. variation, modification amendment or waiver of any Certificate shall be valid unless in writing and signed by Trustee with the consent of the registered holder of such Certificate.
- 20.2 Lessee has not entered and does not contemplate entering into a conditional sale agreement, equipment trust agreement or any other similar financing or debt instrument secured by rolling stock or locomotives of Lessee (all such agreements and instruments referred to herein as "Equipment Financing Agreements") which provide for the acceleration of the maturity of any indebtedness or payment obligation thereunder upon the occurrence of any default or event of default under any other Equipment Financing Agreement pursuant to which (i) any indebtedness for borrowed money, (ii) any lease rentals or other obligations or (ii) any agreements or instruments securing any such indebtedness or obligation, is owning or guaranteed by Lessee (a "Cross Default Provision"). If Lessee contemplates at any time or from time to time entering into an Equipment Financing Agreement which contains a Cross Default Provision, it shall so notify Trustee and execute and deliver to Trustee concurrently with the execution of such Equipment Financing Agreement, an amendment supplementing this Lease by adding a

substantially similar Cross Default Provision, together with an officer's certificate and an opinion of counsel addressed to Trustee and Lessors, to the effect that this provision has been complied with.

Section 21. Financial Information; Other Reports.

Lessee shall keep its books and records in accordance with generally accepted accounting principles and practices consistently applied. Lessee shall deliver to Lessors and Trustee: its annual audited financial statements (together with a certificate of the Chief Financial Officer of Lessee as to Lessee's compliance with its covenants under this Lease and the absence of Events of Default and Incipient Defaults during the year covered by such financial statement) within 120 days of the end of Lessee's fiscal year; and its quarterly financial statements within 60 days of the end of each such quarter (other than the fourth quarter of each fiscal year). In addition, (i) promptly upon the filing or making thereof, Lessee shall provide to Lessors and Trustee copies of each filing or report made by Lessee with or to the Securities Exchange Commission on Form 8-K or any successor form of similar import, (ii) along with the financial statements delivered pursuant to the first sentence of this Section 21, next following the making thereof, Lessee shall provide to Lessors and Trustee copies of each filing and report (other than those referred to in the preceding clause (i)) made by Lessee with or to the Securities Exchange Commission, each material filing and report made by Lessee with or to any securities exchange and each communication from Lessee to holders of any publicly traded security generally, and (iii) promptly upon learning thereof, Lessee shall provide written notice to Lessors and Trustee of the occurrence of any Event of Default or Incipient Default. All such information relating to Lessee may be disseminated (a) among Trustee, Lessors and any person holding an interest in this Lease, (b) to any affiliate, trustee, officer, director, employee or representative of any of the foregoing persons, (c) pursuant to any governmental or judicial request, (d) if required by a law or regulation, (e) if, in the view of the person disseminating the same, disclosure to a regulator is advisable, (f) in connection with the enforcement of rights under this Lease, any Certificate or any other related document and (g) as may be required to answer inquiries directed to the person disseminating such information by creditors or prospective creditors of Lessee or purchasers or prospective purchasers of any Certificate.

Section 22. Notices.

All demands, notices and other communications hereunder shall be in writing and shall be deemed to have been duly given

when personally delivered or one Business Day after being sent by overnight delivery service or three days after being deposited in the mail, certified mail postage prepaid, or when delivered to a telegraph office, charges prepaid, addressed to: (A) Trustee or Lessee at the address set forth below the signature of such party on the signature page hereof, or at such other address as may hereafter be furnished in accordance with this Section by either party to the other and to Lessors; and (B) each Lessor at its address set forth in the register referred to in Section 14.1.

Section 23. Counterparts.

Two counterparts of this Lease have been executed by the parties hereto. One counterpart has been prominently marked "Trustee's Copy". One counterpart has been prominently marked "Lessee's Copy". Only the counterpart marked "Trustee's Copy" shall evidence a monetary obligation of Lessee or shall be deemed to be an original or to be chattel paper for purposes of the Uniform Commercial Code, and such copy shall be held by Trustee.

Section 24. Severability.

Whenever possible, each provision of this Lease shall be interpreted in such manner as to be effective and valid under applicable law; but if any provision of this Lease shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Lease.

Section 25. Successors and Assigns; Merger.

- 25.1 This Lease shall be binding upon the parties hereto and their respective successors and assigns and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns.
- 25.2 Lessee shall not enter into any transaction of merger or consolidation with any other entity unless (1) either (i) Lessee shall be the surviving entity or (ii) if Lessee is not the surviving entity, then the surviving entity shall be a corporation organized under the laws of the United States or a state thereof, and shall expressly assume in a writing satisfactory in form and substance to Lessors and Trustee the obligations of Lessee hereunder, (2) immediately after such merger or consolidation, no Event of Default or Incipient Default shall exist hereunder, (3) immediately after such merger or consolidation, Trustee shall have an enforceable, perfected

first priority security interest of record in all Collateral then subject hereto, free and clear of all claims, liens, security interests and encumbrances, and (4) Lessee shall have delivered to Lessors and Trustee in form and substance satisfactory to them (i) an officer's certificate of Lessee confirming that all requirements of this Section 25.2 have been met and that no Event of Default or Incipient Default exists, and (ii) an opinion of counsel to Lessee stating (among other things that may be reasonably requested by any Lessor or Trustee) that such merger or consolidation has been completed in accordance with the requirements of law of each relevant jurisdiction. If all of the foregoing requirements have been met, the surviving entity shall have all the rights of Lessee hereunder.

Section 26. Brokers.

None of the parties has engaged or authorized any broker, finder, investment banker or other third party to act on its behalf, directly or indirectly, as a broker, finder, investment banker, agent or any other like capacity in connection with this Lease or the transactions contemplated hereby, except that Lessee has engaged Bank of America and/or an affiliate thereof which will be paid by Lessee.

Section 27. Jury Trial.

Each of Lessee, Subsidiary, each Lessor and Trustee waives any right to a trial by jury in any action or proceeding to enforce or defend any rights under this Lease or any related document or under any amendment, instrument, document or agreement delivered or which may in the future be delivered in connection herewith or therewith or arising from any relationship existing in connection with this Lease or any related document and agrees that any such action or proceeding shall be tried before a court and not before a jury.

Section 28. Captions; Table of Contents.

Section captions and the table of contents used in this Lease (including the Schedule) are for convenience of reference only and shall not affect the construction of this Lease.

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the day and year first above written.

SOUTHERN PACIFIC TRANSPORTATION COMPANY	FIRST INTERSTATE BANK OF CALIFORNIA, TRUSTEE (and in its individual capacity where specifically indicated)
By EJ GLODY Title TRENSURER (Title Vice-President
	By Solution Title Assistant Vice-President
Address: One Market Plaza San Francisco, CA 94105	Address: 345 California St., SF 8-7 San Francisco, CA 94104 Attn: Rose Ruelos Assistant Vice President
CHASE COMMERCIAL CORPORATION	SUN LIFE ASSURANCE COMPANY OF CANADA
By Will Pres.	Ву
Title Vil Fres.	Title
	Ву
	Title
Address: South 61 Paramus Road Paramus, NJ 07652	Address: One Sun Life Executive Park Wellesley Hills, MA 02181
SUN LIFE ASSURANCE COMPANY OF CANADA (U.S.)	CHRYSLER CAPITAL CORPORATION
Ву	By With Was finner
Title	Title Wie Pers.
Address: One Sun Life Executive Park Wellesley Hills. MA 0218	Address: 750 Battery Street, Suite 300 San Francisco, CA 94111

Corporate Form of Acknowledgement Pursuant to 49 CFR §1177.3

by

State of	
County ofss:	•
First Interstate Bank of Cal foregoing instrument is the said instrument was signed a authority of its Board of Di	, 1989 before me personally , to me personally known, who being s)he is the Assistant Vice President of ifornia, that the seal affixed to the corporate seal of said corporation, that nd sealed on behalf of said corporation rectors, and (s)he acknowledged that the nstrument was the free act and deed of
(Seal)	
	Signature of Notary Public
	My Commission expires
State of <u>California</u> _	
County of San Franciscoss:	-
Commercial Corporation, that instrument is the corporate instrument was signed and se authority of its Board of Di	, to me personally known, who being s)he is the Vice President of Chase the seal affixed to the foregoing seal of said corporation, that said aled on behalf of said corporation by rectors, and (s)he acknowledged that the nstrument was the free act and deed of
(Seal)	Signature of Notary Public
OFFICIAL SEAL YVETTE MONTALVO Notary Public-California SAN FRANCISCO COUNTY	My Commission expires 9-15-92

My Comm Exp. Sep. 15, 1992

Corporate Form of Acknowledgement Pursuant to 49 CFR §1177.3

State of CALIFORNIA

County of SANFIANCISCO SS:

On this 29111 day of December, 1989 before me personally appeared $E \cdot F \cdot GRADY$, to me personally known, who being by me duly sworn, say that (s)he is the <u>TREASUNEE</u> of Southern Pacific Transportation Company, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(Seal)

Fuelle elautahi Signature of Notary Public

My Commission expires SEPTEMBER 15,1992

OFFICIAL SEAL YVETTE MONTALVO Notary Public-California SAN FRANCISCO COUNTY

My Comm. Exp Sep 15, 1992

Corporate Form of Acknowledgement Pursuant to 49 CFR §1177.3

State of CALIFORNIA

County of SAN FAANCISESS:

On this 297% day of 56060000, 1989 before me personally appeared LOBERT F FERGUSON, to me personally known, who being by me duly sworn, say that (s)he is the Vice President of First Interstate Bank of California, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(Seal)

My Commission expires <u>Septeuben</u> 15,1992



Corporate Form of Acknowledgement Pursuant to 49 CFR §1177.3

State of	
County ofs	3:
appeared	, 1989 before me personally , to me personally known, who being at (s)he is the of Sun Life ada, (U.S.), that the seal affixed to the che corporate seal of said corporation, that add and sealed on behalf of said corporation by Directors, and (s)he acknowledged that the ag instrument was the free act and deed of
(Seal)	Signature of Notary Public
	My Commission expires

Corporate Form of Acknowledgement Pursuant to 49 CFR §1177.3

State of CALIFORDIA

County of SANFRAMISE ss:

On this $\frac{2914}{1}$ day of $\frac{DECENDER}{DECENDER}$, 1989 before me personally appeared $\frac{MACTIR}{A} \cdot MACIDDES$, to me personally known, who being by me duly sworn, say that (s)he is the $\frac{VICEPAESIDENT}{DENT}$ of Chrysler Capital Corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(Seal)

OFFICIAL SEAL
YVETTE MONTALVO
Notary Public-California
SAN FRANCISCO COUNTY
My Comm. Exp Sep. 15, 1992

Signature of Notary Public

Υ

My Commission expires 9-15-1992

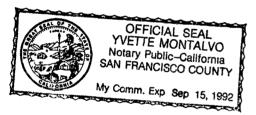
Corporate Form of Acknowledgement Pursuant to 49 CFR S1177.3

State of CALIFOLVIA

County of SAN FRANCISCO SS:

On this 29114 day of <u>Scenter</u>, 1989 before me personally appeared <u>Roxespann</u>, to me personally known, who being by me duly sworn, say that (s)he is the Assistant Vice President of First Interstate Bank of California, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(Seal)



Signature of Notary Public

My commission expires SEPTEMBER 15, 1992

The undersigned Subsidiary hereby agrees with and confirms the provisions of Section 15.1 of the foregoing Lease Intended for Security and hereby becomes a party thereto for the purpose for such Section. Additionally, the undersigned Subsidiary agrees that notice to Lessee pursuant to Section 22 of the above Lease Intended for Security shall be deemed for all purposes to be notice to Subsidiary.

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY

Its: Vice President-Finance

Address: One Market Plaza

San Francisco, CA 94105

Corporate Form of Acknowledgement Pursuant to 49 CFR §1177.3

State of <u>California</u>

County of <u>San Francisco</u> ss:

On this <u>29th</u> day of <u>December</u>, 1989 before me personally appeared <u>E.L. Johnson</u>, to me personally known, who being by me duly sworn, say that (s)he is the <u>Vice President-Financeof</u> St. Louis Southwestern Railway Company, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

(Seal)

OFFICIAL SEAL
YVETTE MONTALVO
Notary Public-California
SAN FRANCISCO COUNTY
My Comm Exp Sep 15, 1992

Signature of Notary Public

My Commission expires 9-15-92

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the day and year first above written.

SOUTHERN PACIFIC TRANSPORTATION COMPANY	FIRST INTERSTATE BANK OF CALIFORNIA, TRUSTEE (and in its individual capacity where specifically indicated)
Ву	Ву
Title	TitleVice-President
	Ву
	TitleAssistant Vice-President
Address: One Market Plaza San Francisco, CA 94105	Address: 345 California St., SF 8-7 San Francisco, CA 94104 Attn: Rose Ruelos Assistant Vice President
CHASE COMMERCIAL CORPORATION	SUN LIFE ASSURANCE COMPANY OF CANADA
Ву	By Mbhlelian.
Title	Title ASSISTANT VICE PRESIDENT
	BY NOT P. CREEDON
	Title SENIOR ASSOCIATE COUNSEL
Address: South 61 Paramus Road Paramus, NJ 07652	Address: One Sun Life Executive Parl Wellesley Hills, MA 02181
SUN LIFE ASSURANCE COMPANY OF CANADA (U.S.)	CHRYSLER CAPITAL CORPORATION
By A	De-
D. B. WRAY	Ву
Title VICE PRESIDENT, INVESTMENTS	Title
Address: One Sun Life Executive Park Wellesley Hills, MA 0218	Address: 750 Battery Street, Suite 300 San Francisco, CA 94111

Corporate Form of Acknowledgement Pursuant to 49 CFR §1177.3

State of Massachusetts

County of Nortolk ss:
On this day of December, 1989 before me personally appeared D. B. WRAY, to me personally known, who being by me duly Visto PRESEATINE MENIS the of Sun Life Assurance Company of Canada, (U.S.), that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and (s) he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.
(Seal) Signature of Notary Public My Commission expires July 22, 1994
Corporate Form of Acknowledgement Pursuant to 49 CFR §1177.3
State of
County of ss:
On this day of, 1989 before me personally appeared, to me personally known, who being by me duly sworn, say that (s)he is the of Chrysle: Capital Corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.
(Seal) Signature of Notary Public
My Commission expires

Corporate Form of Acknowledgement Pursuant to 49 CFR §1177.3

State of <u>Massa chusetts</u>	
County of Nortok ss:	
instrument is the corporate instrument was signed and se authority of its Board of Di	to me personally known, who being of Sun Life that the seal affixed to the foregoing seal of said corporation, that said ealed on behalf of said corporation by rectors, and (s)he acknowledged that the instrument was the free act and deed of
(Seal)	Signature of Notary Public My Commission expires July 22 1994
	My Commission expires July 22,1994
	Form of Acknowledgement ant to 49 CFR §1177.3
State of Massachusetts	
County of Norfork ss:	
by me dul sers and the Sanata, instrument is the corporate instrument was signed and seauthority of its Board of Di	n, to me personally known, who being of Sun Life of Sun Life that the seal affixed to the foregoing seal of said corporation, that said ealed on behalf of said corporation by irectors, and (s)he acknowledged that the instrument was the free act and deed of
(Seal)	Robin d. Jonnan Signature of Notary Public
	My Commission expires The 22, 1994

SCHEDULE TO LEASE INTENDED FOR SECURITY

DATED AS OF DECEMBER 29, 1989

AMONG SOUTHERN PACIFIC TRANSPORTATION COMPANY,

AS LESSEE

FIRST INTERSTATE BANK OF CALIFORNIA
AS TRUSTEE

AND

CHASE COMMERCIAL CORPORATION, SUN LIFE ASSURANCE COMPANY OF CANADA (U.S.), SUN LIFE ASSURANCE COMPANY OF CANADA

AND

CHRYSLER CAPITAL CORPORATION
AS LESSORS

A. Description of Units.

As set forth on <u>Annex I</u> and <u>Annex II</u> hereto (including the Purchase Price for each thereof), which by this reference is made a part hereof and of the Lease referred to above.

B. Aggregate Purchase Price.

"Purchase Price" for a Unit shall mean purchase price of the Unit set forth in Annex I and Annex II hereto. The aggregate Purchase Price of all Units leased hereunder shall be \$42,500,000.

C. Rental.

During the term, Lessee shall pay rental for each Unit, on the dates and in the amount set forth (excluding "Balloon Payment Amounts") in Annex III hereto, which by this reference is made a part hereof and of the Lease referred to above. All such payments, as well as all other payments due to Trustee under the Lease, shall be received by Trustee not later than 11:00 a.m. San Francisco, California time on the date due; funds received after that hour shall be deemed (including for purposes of Section 10.6 of the Lease) to have been received by Trustee on the next following Business Day. As used herein, "Business Day" shall mean a day on which Trustee and commercial banks located in California are open for the purpose of conducting commercial banking business.

D. Interest on Late Payments.

The interest rate on late payments shall be (i) the greater of (a) 15% per annum and (b) the rate announced from time to time by Bank of America as its reference rate plus 2% per annum, in either case computed daily on the basis of a 365 day year and actual days elapsed, or (ii) the maximum amount permitted by law, whichever is less.

E. Location.

On the Delivery Date, the Units are located in the locations set forth on Annex I and Annex II of this Schedule.

F. Early Termination.

Termination by Lessee. If no Event of Default or Incipient Default of the Lease shall exist, Lessee may, by written notice to Trustee and Lessors, terminate this Lease with respect to all but not less than all Units then subject to this Lease. Such notice shall specify a date (the "Termination Date") with respect to the Units, not more than 120 and not less than 30 days after such notice is given, which shall be a rental payment date. On the Termination Date with respect to the Units, Lessee shall pay to Trustee the Termination Value, as defined below, for the Units computed as of such date. The Termination Value with respect to the Units as of the Termination Date shall be the Balance Due as defined in Section 6.1 of the Lease plus an amount (the "Premium"), equal to or greater than zero, that must be added thereto in order that the Premium plus the Balance Due on the Termination Date shall be equal to the sum of the present values (using discount rates per annum for each obligation equal to the Formula Yield as defined below) as of the Termination Date of (i) the scheduled installments of rent which would otherwise have accrued under the Lease on and from the Termination Date to the end of the term of this Lease, and (ii) the Balloon Payment. "Formula Yield" for each obligation shall mean, as of any date of determination, 50 basis points over the arithmetic mean of the rates published for the five calculation days (as hereinafter defined) preceding such determination date in the weekly statistical release designated *H.15(519) (or any successor publication) published by the Board of Governors of the Federal Reserve System, opposite the maturity corresponding to the weighted average life, rounded to the nearest month, of the remaining Lease rental obligations under the caption "U.S. Government Securities -- Treasury Constant Maturities." If no maturity exactly corresponding to such rounded weighted average life for such obligation shall appear therein, yields for the two most closely corresponding published maturities shall be calculated pursuant to the foregoing sentence and the Formula Yield shall be interpolated from such yields on a straight-line basis (rounding, in the case of relevant

^{*} May be Telerate.

basis (rounding, in the case of relevant periods, to the nearest month). If such rates shall not have been so published, the Formula Yield in respect of such Termination Date shall be calculated pursuant to the next preceding sentence on the basis of the arithmetic mean of the arithmetic means of the secondary market ask rates, as of approximately 3:30 P.M., New York City time, on such calculation days, for the actively traded U.S. Treasury security or securities with a maturity or maturities most closely corresponding to such rounded weighted average life as reported by three primary United States Government securities dealers in New York City of national standing selected in good faith by Trustee. For the purposes of this paragraph, "calculation day" means any day for which such rates for United States Government securities shall be published in such release, or, if such rates are not so published, that would have been so published in accordance with the usual practices of the Federal Reserve System.

- (b) General Provisions. Upon (i) the payment of the Termination Value by Lessee in compliance with the provisions of this paragraph, the obligation of Lessee to pay rent hereunder with respect to the Units after the Termination Date shall cease, the term of the Lease shall end on the Termination Date, and (ii) the payment in full by Lessee of all other obligations of Lessee due and payable under the Lease, Trustee shall execute and deliver, to Lessee or its assignee or nominee, a quitclaim bill of sale (without representations or warranties except that the Units are free and clear of all claims, liens, security interests and other encumbrances by or in favor of any person claiming by, through or under Trustee) for the Units, and such other documents as may be required to release the Units from the terms of this Lease, in such form as may reasonably be requested by Lessee, all at Lessee's expense.
- (c) Termination by Each Lessor. If within 30 days after a Change in Control has occurred, either Moody's or Standard & Poor has not confirmed in writing that the rating in effect before such Change in Control has at least been maintained on the then outstanding Equipment Trust Certificates of Lessee, then each Lessor shall have the right to require Lessee to repurchase and cancel each class of Certificate held by it at the next scheduled rental payment date at a price equal to the amount such Lessor would have received under the Certificate had the Balance Due, as calculated pursuant to Section 6.1, become due and payable, plus an amount equal to the Premium calculated as of such

date as if this Lease had been terminated by Lessee pursuant to this Paragraph F. "Change in Control" means (i) all or substantially all of Lessee's assets are sold, assigned or transferred, (ii) Lessee is liquidated or dissolved, (iii) Lessee is consolidated or merged with or into another corporation, (iv) Rio Grande Industries, Inc., together with its affiliates, directly or indirectly, ceases to hold more than 50% of the total voting power entitled to vote in the election of directors, (v) the purchase or redemption of any shares of its and its affiliate's capital stock (other than shares of capital stock of Subsidiary) by Lessee or (vi) the declaration or payment of any dividends by Lessee or any other distribution to stockholders of Lessee (other than in shares of capital stock of the Lessee) the total fair market value of which is in excess of 10% of the consolidated net worth of Lessee on the declaration date, which percentage shall be calculated on an aggregate basis for all such distributions made pursuant to the same source of funding or plan of distribution. "Equipment Trust Certificate" means any certificate evidencing a monetary obligation of Lessee secured by railroad rolling stock or locomotives and rated in the equipment trust records of Moody's and Standard & Poor.

(d) Lessee Substitution of Units. If Lessee desires to substitute for any of the Units replacement equipment (the "Replacement Units"), Lessee shall give Trustee written notice thereof, which notice shall specify the Units that Lessee desires to reacquire (the "Substituted Units") and describe the Replacement Units. Each of the Replacement Units must be of the same or greater value and useful life as the Substituted Unit replaced therewith immediately prior to the substitution; provided that (i) Lessee may substitute a lesser number of Replacement Units for Substituted Units so long as the total value and average remaining useful life of the Replacement Units is the same as or greater than the total value and average remaining useful life of such Substituted Units and (ii), if a Deciding Interest of Lessors shall require by notice given to Trustee and Lessee prior to the Substitution Date, the percentage obtained by dividing the aggregate value of each type of Unit (limited to types of Units which are either Substituted Units or Replacement Units) by the aggregate value of all the Units under the Lease immediately following the substitution shall not be more than 125% or less than 75% of the percentage obtained by dividing the aggregate Purchase Price of the type of Unit by the Purchase Price of all the Units. Each of the following conditions shall have been met as of the Substitution Date (as hereafter defined): (i) Lessee shall have executed and delivered to Trustee a Bill of Sale with respect to each Replacement Unit; (ii) Lessors and Trustee shall have

received an appraisal, reasonably satisfactory to each Lessor, of Replacement Units and Substituted Units from Coopers & Lybrand (or another nationally recognized appraiser of equipment similar to the Units reasonably acceptable to Trustee and a Deciding Interest of Lessors) indicating the appraised value as of the Substitution Date of each; (iii) Lessee shall have provided evidence of its ownership of each Replacement Unit free and clear of all liens, claims, security interests and encumbrances, including such searches for liens as Lessors deem appropriate; (iv) there shall exist no Event of Default or Incipient Default as of the Substitution Date; (v) Lessors shall have received such opinions of counsel as they have reasonably deemed necessary or appropriate; (vi) Lessors and Trustee shall have received certificates of insurance, loss payable endorsements, or other evidence acceptable to Lessors and Trustee that Lessee has complied with the provisions of Section 7 of this Lease with respect to the Replacement Units; and (vii) Lessors and Trustee shall have received evidence that appropriate instruments have been filed in all jurisdictions necessary to properly perfect Trustee's first priority security interest in each Replacement Unit. Ninety-one (91) days following the satisfaction of all of the foregoing conditions (the "Substitution Date"), Trustee shall execute and deliver to Lessee or its designee a quitclaim bill of sale (without representations or warranties except that the Substituted Units are free and clear of all claims, liens, security interests and other encumbrances by or in favor of any person claiming by, through or under Trustee) for the Substituted Units and Lessee shall deliver to Trustee an Acceptance Certificate for the Replacement Units. All fees, costs and expenses relating to a substitution as described herein shall be borne by Lessee.

G. Purchase Provision.

- (i) <u>Lessee's Option</u>. At least one year before the end of the lease term (the "<u>Sales Period</u>"), Lessee shall notify Trustee and each Lessor of its election of option (a) or (b) below and at the end of the term of the Lease, provided that the Lease has not been earlier terminated, Lessee shall, in accordance with its election:
 - (a) Purchase for cash all Units then subject to the Lease for an amount equal to 36.47% of the aggregate Purchase Price of the Units (which amount is referred to herein as the "Balloon Payment"); or
 - (b) Sell the Units then subject to the Lease to a buyer not affiliated with Lessee and pay to Trustee on the day the

Lease terminates for the Units the proceeds of sale (without deductions) of each Unit (which sale shall occur on the date the Lease terminates and shall be for cash). If the proceeds received for all such Units exceed the amount of the Balloon Payment, Trustee shall remit to Lessee the excess. If the proceeds are less than the Balloon Payment for such Units or if not all Units are sold and the proceeds of those Units which are sold are less than the Balloon Payment, Lessee shall pay Trustee on the day the Lease terminates the difference between the amount of the Balloon Payment and the amount of the sale proceeds, if any; provided, however, Lessee shall not be obligated to pay (excluding sale proceeds) to Trustee an amount which exceeds 18.824% of the aggregate Purchase Price of all Units then subject to the Lease.

Lessee's election shall be irrevocable at the time made. If Lessee fails to make its election or if an Event of Default or an Incipient Default exists on the last day of the term of the Lease, Lessee shall be deemed to have elected option (a).

(ii) Option (b) Procedures. If Lessee elects option (b), Lessee shall use its best efforts throughout the Sales Period to obtain a purchaser or purchasers which are not affiliated in any way with Lessee for the Units. Trustee may direct Lessee to hire and pay for sales agents, including sales agents in Europe, North America, South America, Australia, Africa and Asia, and as directed by Trustee in any locations directed by Trustee. Any sale by Lessee shall be for the highest cash bid submitted to Lessee, including any bid submitted by Trustee or any Lessor. Such determination shall be made by a Deciding Interest of Lessors at the end of the Sales Period. Trustee may accept any bid solicited by Lessee or its agent, in which case Lessee agrees to maintain such Unit in accordance with the standard provided for in the bid and Lessee may after the acceptance by Trustee return such Unit to service. Neither Trustee nor any Lessor shall have any responsibility for procuring any purchaser. If, nevertheless, Trustee or any Lessor undertakes any sales efforts, Lessee shall promptly reimburse Trustee or such Lessor for any charges, costs and expenses incurred in such effort, including any allocated charges, costs and expenses of internal counsel or other attorneys' fees.

To facilitate the sale of the Units and to assure the best possible sales price for the Units, Lessee, at its expense, shall do, at least, all of the following (which, shall be in addition to, and not in limitation of, Lessee's obligations under the Lease, including, without limitation, its obligations to insure the Units and make rental payments). During the three months after the commencement of the Sales Period, Lessee shall collect

all Units and deliver them, at Lessee's expense, for storage in a location or locations designated by a Deciding Interest of Lessors in the continental United States and thereafter maintain the Units in the condition required by Section 4 in those location(s). Lessee shall immediately paint, at its expense, all Units in colors as requested by purchasers. Lessee shall allow unlimited inspection and testing by potential purchasers, Trustee and any Lessor, and shall pay the travel costs for all inspectors and testers, as well as any fees charged by governmental or industry testing agencies and testing companies. Lessee shall replace all parts, instruments, appurtenances, accessories, furnishings and other equipment of whatever nature, which have been installed in or attached to any Unit and which may have suffered an event which had it been a Unit would have constituted a Casualty Occurrence. Lessee shall deliver, at Lessee's expense, sample Units roundtrip, insured, to potential purchasers for inspection and testing, as may be requested. Lessee shall promptly provide any information, records or computer printouts requested by Trustee, any Lessor or potential purchasers, including records of all maintenance of or repair to each Unit prior to or during the term of the Lease.

Lessee shall be responsible for all costs of sale and in order to facilitate a sale shall provide, at Lessee's expense, such equipment configurations, refurbishments, reconstruction, repairs, corrections and modifications as shall be necessary or desirable to Trustee, any Lessor or any purchaser. If requested, Lessee shall provide financing to one or more qualified creditworthy purchasers at a rate not higher than the purchasers' standard commercial borrowing rates and on standard terms and conditions to enable the purchasers to purchase the Units and pay cash to the Trustee. On behalf of purchasers, Lessee, at its expense, shall continue to store and insure Units for up to one year after the date the Lease terminates if requested. shall maintain the Units in good operating order, repair, condition and appearance, ordinary wear and tear excepted, suitable for use in interchange and in compliance with all applicable laws and regulations including health, safety and environmental standards in the United States. Lessee shall inspect and certify that each Unit at the date the Lease terminates meets all such requirements and all requirements of the Lease. During the last year of the term of the Lease, Lessee shall not acquire, by purchase or lease, more Units of a type or types similar to the Units. Lessee shall properly prepare all Units for delivery in accordance with all rules or regulations applicable to the type of Units delivered, insure and deliver the Units, all at Lessee's expense, and otherwise do all things necessary to deliver sold Units to purchasers.

If (x) Lessee selects option (b) but is unable to sell a Unit to an unaffiliated person during the Sales Period and (y) the

amount paid by Lessee to Trustee (including any proceeds of sales of Units) pursuant to option (b) is less than the amount specified in option (a), at the option of the Deciding Interest of Lessors, absolute title to each unsold Unit shall vest in Trustee for the benefit of holders of Residual Certificates, free and clear of any rights of redemption or other rights of Lessee, and Lessee shall, at Lessee's expense, if requested by Trustee, (i) continue to store and insure the Unit for one year after the end of the Sales Period and (ii) do any further acts and execute, acknowledge, deliver, file, register and record any further documents which Trustee or any Lessor may reasonably request in order to establish and confirm Trustee's or such Lessor's title and rights.

(iii) Procedures After Payment Made Under Option (a) or (b). Upon (x) payment of the Balloon Payment (pursuant to option (a)) or sales price (pursuant to option (b)), as the case may be, in United States dollars, and (y) the payment by Lessee in full of all other obligations of Lessee due and payable under the Lease, Trustee shall execute and deliver to Lessee a quitclaim bill of sale (without representations or warranties except that each Unit is free and clear of all claims, liens, security interests and other encumbrances by or in favor of any person claiming by, through or under Trustee) for the Units (other than any unsold Units which are subject to the preceding paragraph), and such other documents as may be required to release such Units from the terms and scope of the Lease, in such form as may reasonably be requested by Lessee, all at Lessee's expense.

H. Appraisal.

Trustee may retain any nationally recognized appraiser to inspect the Units to determine whether each Unit is "interchange qualified" pursuant to the Interchange Rules of the A.A.R. The appraisal shall occur within 90 days after the Delivery Date. Lessee shall pay all costs and expenses of the appraisal.

If the appraiser determines that any Unit is not "interchange qualified" Trustee shall give written notice to Lessee describing the reason for disqualification of the Unit and if such Unit is not "interchange qualified" within 10 days of Lessee's receipt of such notice, Trustee may terminate this Lease as to the Unit. Within 5 days of termination with respect to such Unit, Lessee shall pay to Trustee the Balance Due with respect to the Unit calculated as of the date of termination specified in such notice in accordance with the provisions of Section 6.1(b). Upon such payment, the obligation of Lessee to pay rent hereunder with respect to such terminated Unit shall cease and Trustee shall execute and deliver to Lessee or its nominee a quitclaim bill of sale (without representations or warranties) for the Unit, free and clear of all claims, liens, security interests and other

encumbrances by or in favor of any person claiming by, through or under Trustee, all at Lessee's expense.

I. Change in Rating.

If the rating by Moody's or Standard & Poor of the Equipment Trust Certificates becomes lower than a single-A at any time during the term of the Lease,

- (i) the percentages set forth in <u>Section 6.1(b)</u> shall each be increased by 40 basis points as of the date of the change;
- (ii) the rentals in Columns A, B and C of <u>Annex III</u> shall each be increased by an equal amount so that the portion of the Balance Due under each of clauses (i), (ii) and (iii) of Section 6.1 shall remain unchanged; and
- (iii) Lessee shall issue and Trustee shall authenticate new Certificates to reflect the above changes in substitution for the then outstanding Certificates.

ANNEX I TO SCHEDULE TO LEASE INTENDED FOR SECURITY
DATED AS OF DECEMBER 29, 1989 AMONG
SOUTHERN PACIFIC TRANSPORTATION COMPANY,
AS LESSEE,
FIRST INTERSTATE BANK OF CALIFORNIA,
AS TRUSTEE AND
CHASE COMMERCIAL CORPORATION,
SUN LIFE ASSURANCE COMPANY OF CANADA (U.S.),
SUN LIFE ASSURANCE COMPANY OF CANADA
AND
CHRYSLER CAPITAL CORPORATION
AS LESSORS

LOCATION	EQUIPMENT PURCHASE
	EACH

Where an entry of equipment is stated as a group, the Purchase Price Per Unit shall be the total amount given divided by the number of items in the group.

ANNEX II TO SCHEDULE TO LEASE INTENDED FOR SECURITY
DATED AS OF DECEMBER 29, 1989 AMONG
SOUTHERN PACIFIC TRANSPORTATION COMPANY,
AS LESSEE,
FIRST INTERSTATE BANK OF CALIFORNIA,
AS TRUSTEE AND
CHASE COMMERCIAL CORPORATION,
SUN LIFE ASSURANCE COMPANY OF CANADA (U.S.),
SUN LIFE ASSURANCE COMPANY OF CANADA
AND
CHRYSLER CAPITAL CORPORATION

AS LESSORS

LOCATION	EQUIPMENT	PURCHASE
	EACH	

Where an entry of equipment is stated as a group, the Purchase Price Per Unit shall be the <u>total</u> amount given divided by the number of items in the group.

ANNEX III TO SCHEDULE TO LEASE INTENDED FOR SECURITY
DATED AS OF DECEMBER 29, 1989 AMONG
SOUTHERN PACIFIC TRANSPORTATION COMPANY,
AS LESSEE,
FIRST INTERSTATE BANK OF CALIFORNIA,
AS TRUSTEE AND
CHASE COMMERCIAL CORPORATION,
SUN LIFE ASSURANCE COMPANY OF CANADA (U.S.),
SUN LIFE ASSURANCE COMPANY OF CANADA
AND
CHRYSLER CAPITAL CORPORATION

AS LESSORS

EXHIBIT A TO LEASE INTENDED FOR SECURITY DATED AS OF DECEMBER 29, 1989 AMONG SOUTHERN PACIFIC TRANSPORTATION COMPANY, AS LESSEE,

FIRST INTERSTATE BANK OF CALIFORNIA,
AS TRUSTEE AND

CHASE COMMERCIAL CORPORATION,
SUN LIFE ASSURANCE COMPANY OF CANADA
SUN LIFE ASSURANCE COMPANY OF CANADA
AND

CHRYSLER CAPITAL CORPORATION
AS LESSORS

BILL OF SALE

[Name of Seller], a ______ corporation ("Seller"), is the owner of the items (together with all repairs, parts, supplies, accessories, equipment and devices affixed thereto or installed thereon, and all warranties, covenants and representations of any manufacturer or vendor thereof, the "Units") of personal property described on Annex A hereto;

Seller sells, grants, conveys, transfers and assigns title to the Units to FIRST INTERSTATE BANK OF CALIFORNIA, as Trustee (as such Trustee, "Buyer") under that certain Lease Intended for Security, dated as of December 29, 1989, among Seller, Buyer, Chase Commercial Corporation, Sun Life Assurance Company of Canada (U.S.), Sun Life Assurance Company of Canada and Chrysler Capital Corporation; and

Seller warrants to Buyer, its successors and assigns, that there is conveyed to Buyer good title to the Units, free and clear of all liens, claims, rights or encumbrances of others (except the rights of Seller pursuant to the Lease Intended for Security), and Seller will warrant and defend such title forever against all claims and demands whatsoever.

THIS BILL OF SALE shall be governed by the laws of California without regard to conflict of law principles.

IN WITNESS WHEREOF, Seller has caused this Bill of Sale to be executed and delivered by one of its duly authorized officers this 29 day of December, 1989.

[Name of Seller]	
Ву:	
Name Printed:	
Title:	

ANNEX A [Description of Units]

EXHIBIT B TO LEASE INTENDED FOR SECURITY DATED AS OF DECEMBER 29, 1989 AMONG SOUTHERN PACIFIC TRANSPORTATION COMPANY AS LESSEE

FIRST INTERSTATE BANK OF CALIFORNIA,
AS TRUSTEE, CHASE COMMERCIAL CORPORATION,
SUN LIFE ASSURANCE COMPANY OF CANADA (U.S.),
SUN LIFE ASSURANCE COMPANY OF CANADA
AND

CHRYSLER CAPITAL CORPORATION
AS LESSORS

ACCEPTANCE CERTIFICATE

TO: FIRST INTERSTATE BANK OF CALIFORNIA, as Trustee

("Trustee") under that certain Lease Intended for

Security, dated as of December 29, 1989, among Southern

Pacific Transportation Company ("Lessee"), Trustee, and

Chase Commercial Corporation, Sun Life Assurance Company of Canada (U.S.), Sun Life Assurance Company of Canada and Chrysler Capital Corporation, ("Lessors").

Please refer to the above-captioned Lease Intended for Security. Unless otherwise defined herein, or the context hereof otherwise requires, terms which are defined or defined by reference therein shall have the same meanings when used herein.

Lessee certifies to each of you, and for the benefit of each of you, as follows:

- 1. That it has inspected, received, approved and accepted delivery of all of the Units under the Lease.
- 2. That all of the Units are subject to and governed by all of the provisions of the Lease.
- 3. That its representations and warranties set forth in Section 1.3 of the Lease are true and correct as of the date hereof as if such representations and warranties were set forth herein in full.
- 4. That without limiting the requirements of the Lease, the Units are in good order and condition and that Lessee has no knowledge of any defect therein with respect to design, manufacture, condition (reasonable wear and tear excepted) or in any other respect.

IN WITNESS WHEREOF, Lessee has caused this Acceptance Certificate to be duly executed and delivered by one of its officers thereunto duly authorized this 29th day of December, 1989.

SOUTHERN PACIFIC TRANSPORTATION COMPANY

By:		
	Name Printed:	
	Title:	

EXHIBIT C TO LEASE INTENDED FOR SECURITY DATED AS OF DECEMBER 29, 1989 AMONG SOUTHERN PACIFIC TRANSPORTATION COMPANY AS LESSEE

FIRST INTERSTATE BANK OF CALIFORNIA
AS TRUSTEE AND

CHASE COMMERCIAL CORPORATION,
SUN LIFE ASSURANCE COMPANY OF CANADA (U.S.),
SUN LIFE ASSURANCE COMPANY OF CANADA

AND
CHRYSLER CAPITAL CORPORATION
AS LESSORS

SUBLEASE

SUBLEASE, dated as of December 29, 1989, between SOUTHERN PACIFIC TRANSPORTATION COMPANY, a Delaware corporation ("Sublessor"), and ST. LOUIS SOUTHWESTERN RAILWAY COMPANY, a Missouri corporation ("Sublessee").

RECITALS:

- (A) Sublessor is Lessee under that certain Lease Intended for Security, dated as of December 29, 1989 (as from time to time thereafter amended or supplemented, "Master Lease") with First Interstate Bank Of California, as Trustee, and Chrysler Capital Corporation, Sun Life Assurance Company of Canada (U.S.), Sun Life Assurance Company of Canada and Chase Commercial Corporation, as initial Lessors.
- (B) Sublessor desires to lease to Sublessee, and Sublessee desires to lease from Sublessor, the units described on Schedule A hereto, as from time to time hereafter amended ("Sublease Units").

Accordingly, the parties hereto agree as follows:

SECTION 1. LEASE. Sublessor leases to Sublessee and Sublessee leases from Sublessor the Sublease Units described on Schedule B hereto, as such description may from time to time be hereafter amended with the consent of Assignee (as hereinafter defined).

SECTION 2. TERM. The Term of this Sublease shall be concurrent with the term of the Master Lease and termination thereof shall constitute automatic termination hereof. If Sublessor terminates the Master Lease as provided in Paragraph I of the Schedule thereto, Sublessor shall sell to Sublessee and Sublessee shall purchase from Sublessor, the Sublease Units for the portion of the Termination Value attributable to the Sublea

Units. Payment of the Termination Value for the Sublease Units shall be made by Sublessee concurrently upon Sublessor's payment to Trustee of the Termination Value in accordance with the Master Lease. Upon payment of the Termination Value for the Sublease Units, Sublessor shall execute and deliver to Sublessee a quitclaim bill of sale (without representations or warranties) for the Sublease Units. Unless otherwise defined herein or the context hereof otherwise requires, terms which are defined or defined by reference in the Master Lease shall have the same meanings when used herein as such terms have therein, whether or not the Master Lease is then in effect.

SECTION 3. RENT. The rent and rental payment dates shall be as agreed from time to time by Sublessor and Sublessee; provided, however, that if Assignee is exercising its rights with respect to this Sublease or any Sublease Units, rent shall be payable quarterly on the Sublease Units on the last day of each quarter and shall be in an amount, with respect to each Sublease Unit, equal to that portion of the rental under the Master Lease attributable to such Sublease Unit.

SECTION 4. WARRANTIES. NEITHER SUBLESSOR NOR ANY ASSIGNEE MAKES ANY EXPRESS OR IMPLIED WARRANTY WHATSOEVER OF TITLE, MERCHANTABILITY, FITNESS FOR ANY PURPOSE OR OTHERWISE REGARDING ANY SUBLEASE UNIT OR ANY PART THEREOF.

SECTION 5. MASTER LEASE. This Sublease is in all respects subject and subordinate to the Master Lease. Without limiting the foregoing, if for any reason Assignee shall exercise rights or remedies thereunder, such exercise may include the termination hereof, notwithstanding, to the maximum extent permitted by law, any right in Sublessee hereunder. Sublessee shall in all respects comply with all of the terms and provisions of Section 4 of the Master Lease.

SECTION 6. ASSIGNMENT. Sublessee shall not assign any right or interest in this Sublease. Sublessor shall have the right at any time and from time to time to assign all or any part of its right, title and interest in and to this Sublease and grant a security interest in the Sublease Units to an assignee ("Assignee"), including to Trustee pursuant to the Master Lease. Such assignment and grant shall (i) be superior to Sublessee's rights hereunder; (ii) not relieve Sublessor of any of its obligations hereunder; and (iii) not be construed to be an assumption by Assignee of any obligations of Sublessor hereunder. Upon written request of Assignee, Sublessee shall make all payments of rent directly to Sublessor, or to Assignee, at such address as Assignee shall specify. Sublessee shall, upon request, execute and deliver such instruments and take such other action as may reasonably be requested to protect Sublessor's or

Assignee's interests. This Sublease shall not be amended, modified or waived without the consent of Assignee. Sublessee acknowledges that this Sublease has been assigned, and a security interest in the Sublease Units has been granted, to Trustee under the Master Lease.

SECTION 7. NOTICES. Notices shall be in writing and shall be deemed to be given three days after being sent, first class mail postage prepaid, and addressed to Sublessor, Sublessee and Assignee at their respective addresses set forth on Schedule B hereto, or at such other address as any such party from time to time provides to the other parties in accordance with this Section 7.

SECTION 8. MISCELLANEOUS. This Sublease shall be governed by the laws of the State of California, without regard to conflict of law principles. Only one counterpart hereof has been executed by the parties hereto, and such counterpart shall be held by Assignee. Each of Sublessor and Sublessee waives any right to trial by jury in any action or proceeding with respect to this Sublease or any instrument, document or agreement now or hereafter relating to this Sublease. If any provision hereof shall be prohibited or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Sublease. This Sublease shall be binding upon Sublessor and Sublessee and shall inure to the benefit of Sublessor, Sublessee, Assignee and the successors and assigns of Assignee.

IN WITNESS WHEREOF, the parties hereto have executed this Sublease as of the day and year first above written.

SOUTHERN PACIFIC TRANSPORTATION COMPANY

Ву:	Name Printed: Title:
	LOUIS SOUTHWESTERN AILWAY COMPANY
ву:	Name Printed: Title:

SCHEDULE A

SCHEDULE B

Southern Pacific Transportation Company One Market Plaza San Francisco, California 94105

St. Louis Southwestern Railway Company One Market Plaza San Francisco, California 94105

First Interstate Bank of California, as Trustee 345 California Street 8th Floor, SF 8-7 San Francisco, California 94104 EXHIBIT D TO LEASE INTENDED FOR SECURITY DATED AS OF DECEMBER 29, 1989 AMONG SOUTHERN PACIFIC TRANSPORTATION COMPANY, AS LESSEE,

FIRST INTERSTATE BANK OF CALIFORNIA,
AS TRUSTEE

CHASE COMMERCIAL CORPORATION,
SUN LIFE ASSURANCE COMPANY OF CANADA (U.S.),
SUN LIFE ASSURANCE COMPANY OF CANADA

AND

CHRYSLER CAPITAL CORPORATION
AS LESSORS

CERTIFICATE

R- Date: December 29, 1989

To: [Lessor, including address]

This Certificate evidences the right of ("Lessor"), and its registered assigns pursuant to Section 14.1 of the Lease hereinafter referred to, to receive the amounts of rent and other distributions described on Attachment 1 attached hereto and made a part hereof, at the times set forth on Attachment 1, in the manner specified in that certain Lease Intended for Security, dated as of December 29, 1989, among Southern Pacific Transportation Company ("Lessee"), FIRST INTERSTATE BANK OF CALIFORNIA, as Trustee, and Chase Commercial Corporation, Sun Life Assurance Company of Canada (U.S.), Sun Life Assurance Company of Canada and Chrysler Capital Corporation, as Lessors (as from time to time amended or supplemented, the "Lease"). This Certificate also evidences that Lessor is a "Lessor" for all purposes of (and as defined in) the Lease, with all rights attendant to such status, including the benefit of the representations, warranties and covenants of Lessee under the Lease (including Sections 8.4, 10 and 15 of the Lease) and with all obligations attendant to such status. Any transfer of this Certificate is subject to the procedures set forth in Section 14 of the Lease. If for any reason the Balance Due, as defined in Section 6.1 of the Lease, becomes due and payable by Lessee, then Lessor shall be entitled to receive as the amount referred to in Section 6.1(b) an amount equal to the present value of the remaining payments set forth on Attachment 1 [plus the present value of the Balloon Payment]1/ computed by discounting quarterly

[This is a Class I [Class II] Certificate for purposes of Section 10.6 of the Lease.]1/

SOUTHERN PACIFIC TRANSPORTATION COMPANY Lessee

Ву: _	 	 	
Title:	 	 	

FIRST INTERSTATE BANK OF CALIFORNIA as Trustee

Ву:			
Title:	 		 _
Date:	 		

Authenticated By

 $[\]underline{1}/$ Insert in the case of any Residual Interest Certificate



ATTACHMENT 1

Rental Payment Number

Rental Payment Date Rental Payment Amount

Balloon Payment

EQUIPPED BOXCARS

ANNEX I (TO LEASE)

MODEL A203

SP	624002	SP	624008
SP	624004	SP	624009
SP	624004	SP	624012
SP	624007	SP	624013
3F	954001	SP	624014

MODEL A203: 9 UNITS @ \$10,000 EACH TOTAL \$90,000.00

MODEL A232

SP	605002	SP	605103	SP	605199	SP	605289	SP	605374
SP	605008	SP	605104	SP	605200	SP	605290	SP	605375
SP	605009	SP	605105	SP	6052 02	SP	605292	SP	605380
SP	605010	SP	605106	SP	6052 05	SP	605295	SP	605382
SP	605013	SP	605109	SP	605206	SP	605300	SP	605391
SP	605016	SP	605110	SP	605209	SP	605301	SP	605392
SP	605017	SP	605112	SP	605210	SP	605302	SP	605396
SP	605018	SP	605113	SP	605211	SP	605303	SP	605397
SP	605022	SP	605114	SP	605215	SP	605305	S P	605398
SP	605026	SP	605116	SP	605217	SP	605307	SP	605399
SP	605028	SP	605119	SP	695218	SP	605308	SP	605400
SP	605029	SP	605120	SP	605219	SP	605309	SP	605401
SP	605032	SP	605121	SP	605220	SP	605310		
SP	605034	SP	605122	SP	605222	SP	605311	SP	605403
SP	605036	SP	605125	SP	605226			SP	605404
SP	605038	SP	605127	SP	605227	SP	605312	SP	605405
SP	605039	SP	605128	SP	605229	SP	605313	SP	605406
SP	605046	SP	605134	SP	605233	SP	605316	SP	605407
SP	605050	5 P	605136	SP	605236	SP	605317	SP	605410
SP	605051	SP	605137	SP	605237	SP	605318	SP	605411
SP	605052	SP	605142	SP	605238	SP	605320	SP	605414
SP	605054	SP	605144.	SP	605239	SP	605321	SP	605421
SP	605055	SP	605146	SP	605242	SP	605323	SP	605422
SP	605056	SP	605151	SP	605243	SP	605328	SP	605425
SP	605057	S P	605153	SP	605246	SP	605330	SP	605427
SP	605058	SP	605154	SP SP	605249	SP	605331	SP	605428
SP	605059	SP	605155	SP	605250	SP	605332	SP	605429
SP	605062	SP	605156	SP	605251	SP	605334	SP	605431
SP	605064	SP	60516 0	SP	605253	SP	605335	SP	605432
SP	605069	SP	605163	SP	605256	SP	605338	SP	605433
SP	605071	SP	605164	SP	605257	SP SP	605339	SP	605434
SP	605072	SP	605166	SP	605258	SP SP	605340 60534 6	SP	605436
SP	605074	SP	605167	SP	605259	SP	605349	SP	605437
SP	605077	SP	605170	SP	605260	SP	605350	SP	605441
SP	605079	SP	605171	SP	605261	SP	605352	SP	605443
SP	60508 0	SP	605176	SP	605263	SP	605355	SP	605444
SP	605086	SP	605177	SP	605265	SP	605356	SP	605445
SP	605091	SP	605178	SP	605266	SP	605357	SP SP	605446
SP	605092	SP	60518 0	SP	605268	SP	605358	SP SP	60544 <i>7</i> 605448
SP	605093	SP	605182	SP	605274	SP	605362	SP	
SP	605094	SP	605 186	SP	605275	SP	605365	SP SP	605449
SP	605095	SP	60518 8	SP	605276	SP	605367	3P	605452
SP	605096	SP	605189	SP	605277	SP	605368		
SP	605097	SP		SP	605280	SP	605369		
SP	605099	SP	605194	SP	605285	SP	605370		
SP	605100	SP	605195	SP	605286	SP	605371		
SP	605101	SP	605197	SP		SP	605372		
SP	6051 02	SP	605198	SP	605288	SD	405772		

MODEL A403

				SP	243602		SP	2438
SP	241413	47.000		SP	243605		SP	2438
SP.	242868	\$7,000	EACH	- SP	_			
	0/2022	\$7,500	EACH	_	243608		SP	2438
SP.	243233	۶/,500	EAUR	SP	243609		SP	2438
SP	243373			SP	243616		SP	2438
SP	243375			SP	243617		SP	2438
SP	243376			SP	243618		SP	2438
SP	243379			SP	243621		SP	243
SP	243380			SP	243630		SP	243
SP	243386			SP	243636		SP	243
SP	243400			SP	243642		SP	243
SP	243401			SP	243648		SP	243
				SP	243654		SP	243
SP	243405			SP	243658		SP	243
SP	243416			SP	243660		SP	243
SP	243417			SP	243661		SP	243
SP	243431		~	SP	243670		SP	243
P	243437			SP	243672		SP	243
				SP	243681			
P	243439						SP	243
SP	243440			SP	243685		SP	243
SP	243444			SP	24368 6		SP	243
SP.	243445			SP	243697		SP	243
SP	243451			SP	243701		SP	243
SP	243463			SP	243706		SP	243
SP	243464			SP	24 3707		SP	243
SP.	243466			SP	24371 5		SP	243
SP	243471			SP	243717		SP	243
P	243475			SP	243735		SP	243
SP.	243477			SP	243737		SP	243
SP	243482			SP	243742		SP	244
SP	243486			SP	243744		SP	244
SP	243490			SP	243760		SP	244
SP				SP	243764		SP	244
	243497			SP	243769		SP	244
SP	243499							_
SP	243500			SP	243770		SP	2440
SP	243503			SP	243771		SP	2440
SP	243509			SP	243775		SP	2440
SP	243513			SP	243788		SP	2441
SP	243515			SP	243792		SP	244
SP	243522			SP	243794		SP	244
SP	243523			SP	243798		SP	244
SP	243524			SP	243803		SP	244
SP	243525			SP	243805		SP	244
SF	243F29			SP	243813		SP	244
SP	243535			SP	243829		SP	244
SP	243541			SP	243830		SP	244
SP	243544			٠.	213030			
SP	243559						SP	244
-							SP	244
SP	243562						SP	244
SP	243564							
SP	243569						SP	244
SP	243574							
SP	243579							
SP	243586							
SP	243587							
	0/7500							
SP	243590							
SP SP	243590 243593							

MODEL A403: 2 UNITS @ \$7,000.00 EACH \$ 14,000.00 151 UNITS @ \$7,500.00 EACH 1,132,500.00 153 UNITS TOTAL \$1,146,500.00

MODEL A632

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SP 664002
SP 664014
SP 664017
SP 664025
SP 664067
SP 664067
SP 664067
SP 664082
SP 664082
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MODEL A632: 10 UNITS @ \$4,000.00 EACH TOTAL \$40,000.00

MODEL A633

		SP	668023	SP	668073
SP	668000	SP	668031	SP	668075
cn	((0002	SP	668033	SP	668076
SP	668002	SP	668036	SP	668077
SP	668007	SP	668041	SP	668085
SP	66800 8				
SP	668009	SP	668045	SP	66808 6
SP	668010	SP	668049	SP	66809 0
		SP	668052	SP	668092
SP	668012	SP	668054	SP	668094
SP	668013				
SP	668021	SP	668056	SP	668096
SP	668022	SP	668062	SP	668097
35	990056	SP	668069		

MODEL A633: 33 UNITS @ \$10,000.00 EACH TOTAL \$330,000.00

MODEL A800

SP	615272	SP SP	616548 616549
SP	616532	SP	616550
		SP	616552
SP	616533	SP	616554
SP	616534		
SP	616536	SP	616556
		SP	616557
SP	616538	SP	616558
SP	616539	•	
		SP	616561
SP	616541		
SP	616542		
SP	616543		
SP	616544		
SP	616545		
SP	616546		

MODEL A800: 22 UNITS @ \$20,000 EACH TOTAL \$440,000.00

MODEL A806

SP	616500		SP	616517
		_	SP	616518
SP	616505		SP	616519
SP	616506		SP	616520
SP	616507		SP	616521
SP	616510		SP	616523
SP	616512		SP	616525
SP	616513		SP	616526
SP	616514			
CO	414E1E			

MODEL A806: 17 UNITS @ \$20,000.00 EACH TOTAL \$340,000.00

SOUTHERN PACIFIC COVERED HOPPER CARS

MODEL C 113

SP 496234 SP 496242 SP 496269 SP 496282 SP 496285

MODEL C113: 5 UNITS @ \$5,000.00 EACH TOTAL \$25,000.00

MODEL C 313

SP	496025	SP	496202	SP	496261
SP	496039	SP	496203	SP	496265
SP	496050	SP	496218	SP	496271
SP	496050	SP	496225	SP	496276
SP	496076			SP	496280
SP	496077	SP	496227	SP	496286
SP	496085	SP	496232	SP	496287
SP	496104	SP	496236	SP	496290
SP	496114	SP	496238	SP	496291
SP	496134	SP	496239	SP	496293
SP	496148	SP	496241	SP	496297
SP	496163	SP	496256		7496213
SP	496198	SP	496259	HSOF	1496254
	· · - - · -	SP	496260		

MODEL C313: 39 UNITS @ \$5,000.00 EACH TOTAL \$195,000.00

SOUTHERN PACIFIC COVERED HOPPER CARS

MODEL C 411

SP	403025			403094			SP	403133	SP	403176
SP	403026			403095			SP	403134	SP	403177
SP	403029			403097			SP	403135	SP	403178
SP	403030		SP	403098			SP	403136	SP	403179
SP	403031			403100			SP	403137	SP	403180
SP	403032		SP	403101			SP	403139		
SP	403034		SP	403103			SP	403141	SP	403181
SP	403035		SP	403104	\$5,000	EACH	SP	403144	SP	403182
SP	403037	-	SP	403105	\$6,000		SP	403146	SP	403183
SP	403038		SP	403108	+0,000	211011	SP	403150	SP	403184
SP	403039		SP	403109			SP	403152	SP	403185
SP	403040		SP	403110			SP	403153	SP	403187
SP	403041		SP	403112			SP	403154	SP	403188
SP	403042		SP	403113			SP	403155	SP	403189
SP	403043		SP	403115			SP	403156	SP	403190
			SP	403117			SP	403157	SP	403192
SP	403044		SP	403118			SP	403158	SP	403193
SP	403045		SP	403119			SP	403160	SP	403194
SP	403046						SP	403161	SP	403195
SP	403047		SP	403120			SP	403162	SP	403197
SP	403080		SP	403121			SP	403164	SP	403198
SP	403081		SP	403123			SP	403165	SP	403199
SP	403085		SP	403124			SP	403166	SP	403200
SP	403086		SP	403126			SP	403168	SP	403201
SP	403087		SP	403127			SP	403170	SP	403202
SP	403088		SP	403128			SP	403171	SP	403203
SP	403089		SP	403129			SP	403172	SP	403204
SP	403090		SP	403130			SP	403173		-
SP	403091		SP	403131			SP	403174		
SP	403093		SP	403132			SP	403175		
		MODEL C411:	37	UNITE	s @ \$5,6	200 00	ים ו	A CU	\$185,000.00	١
		HODEL CHII:			5 (C \$ 2), (•	
									1/0 000 0/	

MODEL C411: 37 UNITS @ \$5,000.00 EACH \$185,000.00 77 UNITS @ \$6,000.00 EACH 462,000.00 114 UNITS TOTAL \$647,000.00

MODEL C 413

		SP	404058	SP	404075	SP	404087
SP	404050	SP	404059	SP	404076	SP	404088
SP	404051	SP	404061	SP	404077	SP	404089
SP	404052	SP	404062	SP	404078	SP	404092
SP	404054	SP.	404064	SP.	404079	SP	404093
SP	404056	SP.	404065	S P	404080	SP	404095
SP	404057	SP	404067	SP	404082	SP	404096
		SP	404068	SP	404084	SP	404097
		SP	404069	SP	404085	SP	404098
		SP	404070	SP	404086	SP	404099
		SP	404071				
			404073				

MODEL C413: 38 UNITS @ \$5,000.00 EACH TOTAL \$190,000.00

SOUTHERN PACIFIC COVERED HOPPER CARS

MODEL C 612

SP	001001	SP	001041
SP	001002	SP	001042
SP	001003	SP	001043
SP	001005	SP	001047
SP	001006	SP	001048
SP	001007	SP	001050
SP	001008	SP	001051
SP	001010	SP	001053
SP	001017	SP	001054
SP	001019	SP	001055
SP	001023	SP	001058
SP	001024	SP	001061
SP	001026	SP	001062
SP	001027	SP	001066
SP	001033	SP	001069
SP	001035	SP	001070
SP	001037	SP	001073
SP	001039	SP	001074

MODEL C612: 36 UNITS @ \$5,000.00 TOTAL \$180,000.00

UNCOVERED HOPPER CARS

MODEL H 340

SP	646947	SP	464913	SP	464957
SP	44604E	SP	464915	SP	464958
SP	444970	SP	464916	SP	464959
SP	464871	SP	464923	SP	464960
SP	464874	SP	464925	SP	464961
SP		SP	464926	SP	464963
5P	464875	SP	464927	SP	464964
CB	4/407/	SP	464929	SP	464966
SP	464876	SP	464 930	SP	464967
SP	464877	SP	464931	SP	464969
SP	464878	SP	464933	SP	464971
SP	464879	SP	464934	SP	464973
SP	464880	SP	464935	SP	464974
SP	464884	SP	464936	SP	464976
SP	464886	SP	464937	SP	464977
SP	46488 8	SP	464938	SP	464979
SP	464889	SP	464939	SP	464980
SP	αδάβ91	SP	464941	SP.	464983
SP	464892	SP	464942	SP	464984
SP	464893	SP		SP	464985
SP	464896		464948	SP	
SP	464897	SP	464950		464986
SP	464899_	SP	464951	SP	464987
SP	464904	SP	464953	SP	464988
SP	464906	SP	464956	SP	464990
SP	464907			SP	464991
SP	464908			SP	464992
SP	464909			SP	464994
SP	464910			SP	464995
SP	464911			SP	464998
3F	404714				

MODEL H340: 81 UNITS @ \$7,000.00 EACH TOTAL \$567,000.00

MODEL V 190

SP SP SP SP SP	515463 515479 515482 515483 515484	SP SP SP SP	515562 515563 515564 515565	SP SP SP SP	515579 515582 515585 515586 515587	SP SP SP SP	515605 515608 515611 515612 515613	SP SP SP SP SP	515630 515631 515632 515637 515638
SP SP SP	515486 515489 515492 \$11,500 EACH	SD	515566 515567 515568 515569	SP SP SP SP	51558 8 515589 515590 515591	SP SP SP SP	515614 515615 515616 515619	SP SP SP SP	515641 515644 515645 515648
SP SP SP SP	515550 \$12,000 EACH 515553 515555 515556 515558	SP SP SP	515570 515573 515575 515577	SP SP SP SP SP	515595 515596 515598 515600 515601	SP SP SP SP SP	515622 515623 515624 515626 515628	3P	313040
SP	515559	SP	515578	SP	515603	SP	515629		

MODEL V190: 8 UNITS @ \$11,500.00 EACH \$ 92,000.00 59 UNITS @ \$12,000.00 EACH 708.000.00 67 UNITS TOTAL \$800,000.00

MODEL V 421

SP	517009	SP	517104 \$12,000	EACHSP	516109	SP	516143
SP	517012	SP	517107	SP	516110	SP	516144
SP	517018	SP	517110	SP	516111	SP	516145
SP	517020	SP	517119	SP	516112	SP	516146
SP	517022	SP	517120	SP	516113	SP	516147
SP	517024	SP	517121	SP	516114	SP	516148
SP	517029	SP	517122	SP	516115	SP	516149
SP	517034	SP	517123	SP	516116	SP	516150
SP	51703 5	SP	517124	SP	516117	SP	516151
SP	517042	SP	517126	SP	516118	SP	516152
SP	517043	SP	517127	SP	516119	SP	516153
SP	517046	SP	517129	SP	516120	SP	516154
SP	517047	SP	517130	SP	516121	SP	516155
SP	517048	SP	517131	SP	516122	SP	516156
SP	517051	SP	517132	SP	516123	cn.	516157
SP	517053	SP	517133	SP	516124	SP	516158
SP	517054	SP	517134	SP	516125	SP	516159
SP	517055	SP	517135	SP	516127	SP	516160
SP	517057	SP	517136	SP	516128	SP SP	516161
SP	517062	SP	517137	SP	516129	SP SP	516162
SP	517064	SP	517138	SP	516130	3F	310105
SP	517066	SP	517139	SP	516131		
SP	517069	SP	517140	SP	516132		
SP	517071	SP	516100	SP	516133		
SP	517073	SP	516101	SP	516134		
SP	517074	SP	516102	SP	516135		
SF	517075	SP	516103	SP	516136		
SP	517078	SP	516104	SP	516138		
SP	517083	SP	516105	SP	516139		
SP	517086	SP	516106	SP	516140		
SP	517088	SP	516107	SP	516141		
SP	517092	SP	516108	SP	516142		
SP	517094						
SP	517098						
SP	517100	\$10,000 EACH					

MODEL V421: 38 UNITS @ \$10,000.00 EACH \$ 380,000.00 81 UNITS @ \$12,000.00 EACH 972,000.00 119 UNITS TOTAL \$1,352,000.00

MODEL V 429

SP 517000 SP 517001 SP 517002 SP 517003 SP 517005 SP 517006 SP 517007 SP 517010 SP 517011 SP 517013 SP 517014 SP 517016 SP 517016 SP 517017 SP 517019	SP 517023 SP 517026 SP 517027 SP 517028 SP 517031 SP 517032 SP 517036 SP 517037 SP 517038 SP 517039 SP 517040 SP 517044 SP 517045 SP 517049 SP 517052	SP 517056 SP 517058 SP 517060 SP 517061 SP 517065 SP 517067 SP 517068 SP 517070 SP 517072 SP 517077 SP 517079 SP 517081 SP 517082 SP 517084 SP 517089 SP 517089	SP	517093 517095 517096 517099 517109 517105 517106 517109 517111 517112 517113 517114 517115 517116 517117
		SP 517090 SP 517091	SP	517117

MODEL V429: 66 UNITS @ \$10,000.00 EACH TOTAL \$660,000.00

MODEL V 690

SP SP SP SP SP SP SP SP SP SP SP SP	515362 515766 515370 515373 515392 515394 515396 515412 515413 515419 515428 515435	\$10,000	EACH		515503 515504 515505 515506 515508 515509 515510 515511 515512 515513 515514 515515 515516 515517 515519	\$12,000	EACH		515526 515527 515528 515529 515530 515531 515532 515534 515535 515540 515541 515542 515542 515546 515546
				SP	515522			SP	515547
				SP	515524			SP	515548
				SP	515525			SP	515549

MODEL V690: 13 UNITS @ \$10,000.00 EACH \$130,000.00

38 UNITS @ \$12,000.00 EACH
51 UNITS TOTAL

TOTAL

456,000.00 \$586,000.00

MODEL V 991

SP	516163	SP	516212	SP	516261
SP	516164	SP	516213	SP	516262
SP	516165	SP	516215	SP	516263
SP	516166	SP	516216	SP	516264
SP	516167	SP	516217	SP	516265
SP	516168	SP	516218	SP	516266
SP	516169	SP	516219	SP	516268
SP	516170	SP	516220	SP	516269
SP	516171	SP	516221	SP	516270
SP	516172	SP	516222	SP	516271
SP	516173	SP	516223	SP	516272
SP	516174	SP	516224	SP	516413
SP	516175	SP	516225	SP	516414
SP	516176	SP	516226	SP	516415
SP.	516177	SP	516227	SP	516416
SP	516178	SP	516229	SP	516417
SP	516179	SP	516230	SP	516418
SP	516180	SP	516231	SP	516419
SP	516181	SP	516232	SP	516421
SP	516182	SP	516233	SP	516422
SP	516183	SP	516234	SP	516423
SP	516184	SP	516235	SP	516424
SP	516185	SP	516236	SP	516425
SP	516186	SP	516237	SP	516426
SP	516188	SP	516238	SP	516427
SP	516189	SP	516239	SP	516428
SP	516190	SP	516240	SP	516429
SP	516191	SP	516241	SP	516430
SP	516192	SP	516242	SP	516431
SP	516193	SP	516243	SP	516432
SP	516194	SP	516244	SP	516433
SP	516195	SP	516245	SP	516435
SP	516175 516196	SP	516246	SP	516436
SP	516197	SP	516247	SP	516437
SP	516177 516198	SP	516248	SP	516438
SP	516199	SP	516249	SP	516439
SP	516200	SP	516250	SP	516440
SP	516202	SP	516251	SP	516441
SP		SP	516252	SP	516442
SP	=	SP	516253	SP	516443
SP		SP	516254	SP	516444
SP		SP	516255	SP	516445
SP SP		SP	516257	SP	516446
SP		SP	516258	SP	516447
SP		SP	516259	SP	516448
SP SP		SP	516260	SP	516449
24	314517				
				SP	516450
				SP	516451
				SP	516452

MODEL V991: 141 UNITS @ \$12,000.00 EACH TOTAL \$1,692,000.00

SOUTHERN PACIFIC FREIGHT LOCOMOTIVES

MODEL GP 35

		SP	006324
SP	006320	SP	006326
SP	006304	SP	006327
SP	006306	SP	006328
SP	006312	SP	006329
SP	006314	SP	006330
SP	006315	SP	006331
SP	006316	SP	006334
SP	006317	SP	006335
SP	204318	SP	006337
SP	006319	SP	00634 6
SP	006322	SP	006347
SP	006323	SP	006348
SP	006338	SP	006349
SP	006339	SP	006 350
SP	006340	SP	006355
SP	006341	SP	00635 6
SP	006342	SP	006357
SP	006343	SP	006358
SP	006344		
SP	006353		
SP	006359		
SP	006361		

MODEL GP35: 41 UNITS @ \$150,000.00 EACH TOTAL \$6,150,000.00

MODEL SD 9

SP 004420 SP 004421 SP 004422 SP 004423 SP 004425 SP 004426 SP 004440

MODEL SD9: 8 UNITS @ \$132,000.00 EACH TOTAL \$1,056,000.00

SOUTHERN PACIFIC SWITCHER LOCOMOTIVES

MODEL SW 1500

MODEL SW1500: 57 UNITS @ \$135,000.00 EACH TOTAL \$7,695,000.00

MODEL SD 7

SP	001527	SP	001512
SP	001529	SP	001514
SP	00153 0	SP	001517
SP	001531	SP	001518
SP	001536	SP	001523
SP	001 540	SP	001524

MODEL SD7: 12 UNITS @ \$97,800.00 EACH TOTAL \$1,173,600.00

MODEL SD 35

SP	002961	SP	002971
JF	002761	SP	002972
SP	002968	SP	002973
SP	002969	SP	002974
٠.	002.0.	SP	002975
		SP	002976

MODEL SD35: 3 UNITS @ \$100,000.00 EACH TOTAL \$300,000.00

ANNEX II (TO LEASE)

1

MODEL C 313

SSM 077200 SCH 077201 SSH 077202 SSH 077205 SSM 077206 SSW 077208 SSW 077209 SSH 077211 SSW 077213 SSW 077215 SSW 077217 SSH 077221 SSW 077222 SSN 077224 SSH 077225 SSM 077226 SSN 077228 SSH 077235 SSM 077236 SSW 077238 SSH 077246 SSW 077250 SSH 077251 SSH 077252 SSH 077254 SSH 077255 SSH 077256 SSW 077258 SSH 077259 SSW 077262 SSW 077264 SSM 077266 SSH 077267 SSH 077271 SSH 077272 SSW 077273 SSH 077274 SSH 077276 SSW 077277 SSH 077278 SSW 077279 SSH 077285 SSW 077286 SSH 077287 SSH 077288 SSH 077290 SSH 077291 SSH 077292 SSH 077293

SSH 077295

SSH 077296 SSH 077297

SSM 077298 SSM 077300

MODEL C313: 54 UNITS @ \$9,000.00 EACH TOTAL \$486,000.00

MODEL C 313

	-		
	SSM 076243	SSW 079633	SSW 079692
SSW 076202	SSM 076244	SSH 079634	SSH 079693
SSN 076205	SSM 076245	SSW 079635	SSH 079694
SSM 076206	SSH 076246	SSW 079636	SSW 079695
SSM 076207	SSM 076247	SSN 079638	SSH 079696
SSH 076208	SSW 076253	SSW 079639	SSM 079698
SSW 076209	SSH 076255	SSH 079641	SSW 079901
SSW 076211	SSM 076256	SSH 077643	SSH 079903
SSM 076212	SSW 076257	SSH 077644	SSH 079905
SSW 076213	SSW 076258	SSM 079645	SSH 079908
SSW 076214	SSM 076259	SSH 079646	SSM 079910
SSW 076215	SSH 076261	SSH 079647	SSW 079911
SSW 076216	SSM 076262	SSH 079649	SSW 079912
SSW 076217	SSW 076265	SSM 079651	SSH 079914
SSW 076219	SSM 076266	SSH 079654	SSH 079915
SSW 076224	SSW 076269	SSH 079655	SSW 079917
SSW 076227	SSH 076272	SSH 079656	SSW 079919
SSW 076228	SSW 076274	SSW 079657	SSH 079925
SSW 076229	SSW 076276	SSH 077658	SSH 079928
SSM 076231	SSH 076278	SSW 079659	SSH 079930
SSW 076232	SSH 076280	SSH 079660	SSH 079931
SSM 076233	SSW 076285	SSH 079661	SSW 079932
SS-1 076237	SSW 076287	SSW 079663	SSW 079934
SSH 076242	SSN 076290	SSH 079664	SSH 079935
	SSH 076293	SSH 079666	SSH 079936
	SSH 076294	SSH 079668	SSM 079938
	SSH 076296	SSH 077669	SSH 079940
	SSH 079600	SSH 079670	SSH 079942
	SSH 079601	SSH 079671	SSH 079943
	SSH 079602	SSM 077671	SSH 079946
	SSH 079603	SSH 079673	SSH 079948
	SSH 079605	SSH 077673	SSH 079949
	SSH 079606	SSH 079675	SSM 079950
	SSH 079610	SSH 079677	SSH 079953
	SSH 079611	SSH 079678	SSH 079956
	SSH 079614	SSH 079679	SSW 079957
	SSH 079615	SSW 079680	SSH 079958
	SSH 079616	SSH 077680	SSW 079960
	SSH 077620	SSM 079682	SSW 079961
	SSH 079621	SSH 079683	SSH 079963
	SSH 077622	SSH 079684	SSW 079964
	SCH 077625	SSH 079685	SSW 079965
	SSH 079626	SSH 079686	SSM 079"67
	SSH 079627	SSH 077688	SCH 079975
	SSH 079629	SSH 079690	SSW 079977
	SSW 079632	SSN 079691	SSH 079978
		3311 07 70 71	0011 0700-0
			SSH 079979
			SSW 079981
			SSN 079982
			SSH 079984
			SSN 079986
			SSH 079988
			SSW 079990
			SSW 079991
			SSM 079992
			SSW 079994
			SSW 079995 SSW 079998
			SSM 079999

MODEL C313: 174 UNITS @ \$10,000.00 EACH TOTAL \$1,740,000.00

MODEL C 313

				_								
SSW	073530	SSM	073597	SSM	073658	SSW	073720	SSW	073789	CCM	073863	
SSW	073531		073598		073659		073721		073790		073865	SSH 076957
SSM	073532		073600		073660		073723		073791		073866	SSM 076958
SSM	073533		073601		073661		073725		073792		073873	SSM 076959
SSM	073534		073602		073663		073726		_		073874	SSM 076960
SSM	073535		073603		073665		073727		073793			SSM 076962
	073536		073604		073666		073728		073794		076900	SSM 076964
	072537		073605				073731		073796		076901	SSM 076965
	073538				073667				073798		076902	SSW 076967
	073540		073606		073668		073732 073734		073799		076903	SSM 076968
	073541		073607		073669				073802		076904	SSH 076969
	073542		073608		073671		073735		073804		076905	SSH 076973
	073543		073610		073672	-	073737		073807	SSW	076907	SSH 076976
	073545		073612		073674		073738		073811		076908	SSH 076977
			073613		073676		073739		073812	SSH	076909	SSH 076978
	073546		073615		073678		073740	SSH	073813	SSM	076911	SSH 076979
	073547		073616		073680		073742	SSM	073817	SSM	076912 -	SSW 076980
	073550		07361 7		073681		073744	SSH	073818	SSM	076913 -	SSH 076981
	073551		073618	SSW	073682		073745	SSM	073820	SSW	076914	SCH 076982
	073552	SSM	073620	SSH	073683		073746	SSM	073821	SSM	076915	_
	073554	SSM	073621	SSM	073684	SSM	073747		073822		076917	SSW 076985
	07355 7	SSM	073622		073685	SSW	073749		973823		076918	SSH 076986
	073558	SSM	073623	SSH	073688	SSM	073750		073824		076920	SSH 076987
SSM	073559	SSH	073624		073689	SSM	073751		073825		076921	SSM 076988
	073562	SSM	073625	SSM	073691	SSW	073754		073826		076922	SSW 076989
SSN	073565		073628		073692	SSM	073759		073827		076924	SSH 076990
SSW	073567	SSM	073629	SSM	073e ∕ 4	SSM	073760		073828		076925	SSW 076991
SSM	073570	SSW	073631		073695	SSM	073763		073830		076926	SSN 076993
SSW	073571		073632		073696	SSM	073765		073831		076927	SSH 076994
SSM	073572		073633		073697	SSM	073766		073832		076930	SSH 076997
SSM	073574		073634		073698		073767		073834		074077	SSH 076998
SSM	07357 5		073636		073699		073768		073835		076935	UMPX073573
SSM	073576		073637		073700		073769		073836		076936	UMPX073829
SSM	073578		073638		073701		073770		073837		076938	WSOR073614
SSH	073579		073640		073702		073771		073840		076939	WSOR073653
SSW	073580		073642		073703		073772		073841		076940	WSOR073706
SSM	073581		073643		073704		073773		073842		076944	MSGR073800
SSM	073582		073644		073705		073774		07384.3		076946	WSOR076947
	073583		073645		073709		073775					WSOR076975
	073584		073646		073711		073776		073844		076948	
	073585		073648		073712		073777		073846		076949	
	073588		073650		073713		073778		073848		076950	
	073590		0/3651		073714		073780		073850		076951	
	073592		073652		073716		073781		073853		076952	
	073594		073654		073717		073783		073855		076953	
	073595		073656		073718		073786		073856		076954	
	073596		073657		073719		073787		073858 073841		076955	
,,			U		W: J/ L7		0.2/01	~	III/SHAI .	* . * . M	11 / L BE L	

MODEL C313: 339 UNITS @ \$12,000.00 EACH \$4,068,000.00

MODEL C 313

SSW 073752	SSW 074014	SSH_074106	SSM 074189	SSM 074266	SSH 074362	SSW 074448
SSH 073755	SSH 074015	SSH-0/4107	SSH 074191	SSH 074267	SSM 074363	SSH 074449
331 073733	SSW 074016	SSH 074109	SSH 074192	SSH 074269	SSH 074364	SSM 074450
SSW 073923	SSH 074017	SSH 074110	SSM 074193	SSH 074270	SSH 074365	
SSM 073924	SSN 074018	SSW 074111	SSH 074195	SSM 074271	SSH 074366	SSH 074452
SSH 073925		SSW 074112	SSM 074196	SSH 074272	SSH 074367	SSM 074453
SSH 073926	SSM 074020		SSH 074197	SSW 074273	SSH 074368	SSM 074454
	SSH 074021	SSH 074113	SSW 074198	SSH 074274	SSH 074369	SSW 074456
SSH 073928	SSW 074022	SSM 074114				SSM 074457
SSW 073929	SSW 074023	SSW 074115	SSH 074199	SSH 074276	SSW 074372	SSH 074458
SSH 073930	SSM 074024	SSW 074116	SSH 074202	SSM 074277	SSW 074375	SSH 074459
SSH 073933	SSM 074026	CCH 074117	SSH 074203	SSH 074279	SSH 074376	SSW 074460
SSH 073934	SSH 074028	SSW 074117	SSH 07420 5	SSH 074280	SSH 074378	SSH 074462
SSM 073936	SSH 074029	SSW 074118	SSH 074206	SSW 074282	SSH 074379	SSH 074463
SSW 073937	SSM 074030	SSW 074119	SSH 074208	SSH 074284	SSH 074380	SSN 074465
SSH 073940	SSH 074031	SSN 074121	SSH 074209	SSM 074288	SSM 074381	SSH 074466
SSH 073941	SSH 074032	SSW 074122	SSH 074210	SSH 074290	SSW 074383	SSH 074467
SSM 073942	SSH 074033	SSH 074123	SSH 074211	SSM 074291	SSM 074384	
SSH 073944	SSH 074034	SSW 074125	SSH 074212		SSH 074385	SSH 074468
SSH 073945	SSH 074034	SSH 074126	SSM 074213	SSH 074292	SSH 074386	SSH 074470
		SSH 074128	SSH 074214	SSH 074294	SSH 074388	SSW 074471
SSW 073947	SSH 074036	SSH 074129		SSH 074298		SSH 074472
SSH 073948	SSW 074037	SSH 074131	SSM 074215	SSH 074299	SSH 074389	SSH 074474
SSH 073949	SSH 074038	SSW 074134	SSH 074217	SSM 074300	SSH 074390	SSH 074477
SSW 073951	SSH 074040		SSH 074218	SSH 074302	SSM 074391	SSH 074479
SSW 073952	SSH 074041	SSW 074136	SSH 074219	SSH 074304	SSM 074393	
SSM 073953	SSH 074043	SSW 074137	SSH 074220	SSW 074305	SSM 07439 5	SSM 074480
SSH 073955	SSH 074044	SSM 074138	SSM 074221	SSH 074307	SSM 074398	SSH 074481
SSW 073958	SSH 074045	SSW 074139	SSH 074222	SSH 074310	SSH 074399	SSH 074482
SSW 073959	SSH 074046	SSH 074140	SSN 074224	SSW 074310	SSH 074400	SSW 074483
SSM 073960	SSH 074047	SSW 074141	SSH 074225		SSH 074401	SSM 074484
SSW 073961	SSH 074049	SSH 074142	SSM 074226	SSM 074312	SSH 074402	SSW 074485
_		SSW 074143	SSH 074227	SSW 074314	SSH 074402	
SSH 073962	SSH 074054	SSH 074144	SSH 074228	SSW 074315		SSH 074487
SSH 073966	SSH 074057	SSH 074145		SSH 074316	SSH 074404	SSH 074488
SSM 073967	SSH 074059	SSH 074146	SSW 074229	SSM 074318	SSM 074405	SSW 074489
SSM 073968	SSW 074061	SSH 074148	SSM 074230	SSN 074319	SSH 074408	SSM 074490
SSW 073969	SSH 074062		SCH 074231	SSH 074321	SSH 074409	SSM 074492
SSM 073971	SSH 074063	SSW 074149	SSH 074233	SSH 074322	SSM 074410	SSH 074493
SSH 073972	SSW 074064	SSH 074150	SSH 074234	SSH 074323	SSM 074411	SSH 074495
SSH 073973	SSH 074065	SSM 074151	SSM 074236	SSH 074325	SSH 074412	SSH 074496
SSH 073974	SSM 074066	SSM 074152	SSH 074237	SSM 074326	SSM 074413	SSH 074497
SSW 073976		SSM 074153	SSH 074238		SSH 074414	SSW 074498
SSW 073977	SSH 074067	SSM 0741 54	SSH 074239	SSM 074327	SSM 074415	SSN 074479
SSM 073978	SSH 074068	SSH 074155	SSH 074240	SSW 074328	SSM 074416	
SSH 073979	SSH 074069	SSM 074158		SSM 074329	SSH 074417	UIIPX073722
	SSH 074070	SSH 074159	SSM 074241	SSH 074330	334 074427	UMPX074377
SSN 073980	SSH 074071	SSW 074160	SSM 074242	SSW 074331	SSM 074418	WS0R073758
SSH 073981	SSW 074075	SSH 074162	SSW 074243	SSW 074332	SSH 074419	WSOR073833
SSH 073982	SSH 074076	SSH 074163	SSH 074244	SSH 074333	SSN 074420	WSOR073911
SSH 073985	SSH 074077		SSM 07424 5	SSM 074334	SSH 074421	WSOR073943
SSW 073987	SSH 074078	SSM 074165	SSH 074246	SSH 074335		WSOR073995
SSH 073988	SSH 074079	SSH 074166	SSM 074247	SSH 074337	SSH 074422	WSOR074168
		SSM 074167	SSH 074248	SSH 074340	SSH 074424	HS0R074180
SSW 073990	SSH 074081 SSH 074082	SSW 074169	SSH 074249	SSH 074341	SSM 074425	WSOR074252
SSW 073991		SSH 07417 0	SSM 074250		SSM 074427	WSOR074373
SSH 073992	SSH 074084	SSM 074171	SSH 074251	SSM 074342	SSH 074428	WSOR074455
SCH 073994	SSW 074085	SSH 074172		SSM 074343	SSM 074430	
SSH 073996	SSM 0740 87	SSH 074173	SSM 074253	SSH 074345	SSH 074431	MSOR074473
SSH 073998	SSM 074088	SSH 074174	SSH 074254	SSH 074346	SSN 074432	
SSW 073999	SSH 074089	SSH 074175	SSH 074255	SSH 074347	SSH 074434	
SSM 074000	SSH 074090		SSW 074256	SSH 074349	SSH 074435	
	SSH 074094	SSM 074176	SSH 074257	SSM 074350	SSH 074436	
SSW 074001	SSH 074095	SSH 074177	SSN 074258	SSW 074351		
SSH 074002	SSH 074096	SSH 074179	SSH 074259	SSH 074352	SSH 074437	
SSM 074005	SSH 074097	SSH 074181	SSM 074260	SCH 074354	SSH 074439	
SSN 074007	SSH 074098	SSH 074182	SSM 074261	SCH 074355	SSH 074440	
SSM 074010	SSH 074099		SSM 074262	SSH 974357	SSH 074442	
SSH 074011		SSW 074183	SSH 074263		SSN 074444	
SSH 074012	SSW 074101	SSM 074184	SSH 074264	SSH 074358	SSH 074445	
SSH 074013	SSW 074102	SSM 074185	SSH 074265	SSN 074359	SSH 074446	
· - 	SSW 074104	SSM 074187	33H V/4609	SSM 074361	SSH 074447	

MODEL C 313

Mee Mee Mee Hee Hee	074506 074507 074508 074509 074510
	074516
SCM	074517 074518
	074519
	074520
SSW	074521
SSM	074522
SSM	074527 074528
SSW	074528
SSM	074527 074530
SSW	074529 074530 074532
SSM	074534
SSW	074534 074536 074537
SSM	074537
SSM	074538
SSM	074541 074542
SSM	074542
SON	074543 074544 074545
NZZ	074545
SSM	074546
SSW	074546 074548 074549
SSM	074549
SSM	074552 074553 074555
SSM	074553
22M	07455 8
	074560
SSM	074561
	074565
SSM	074566
SSM	074567
	074568
SSW	074570 074571
	074572
SSW	074573
SSM	074573 074574
SSH	074575
SSM	074576 074577
	U74577
SSW	074578 074579
SSH	074577
SSM	074582

SSW 074584 SSH 074585 SSH 074586 SSH 074587 SSW 074588 SSH 074589 SSW 074591 SSH 074592 SSH 074594 SSH 074595 SSW 074596 SSH 074597 SSH 074598 SSH 074601 SSW 074602 SSH 074609 SSH 074611 SSH 074612 SSH 074613 SSH 074618 SSW 074619 SSW 074620 SSH 074621 SSW 074622 SSH 074623 SSH 074625 SSH 074626 SSH 074628 SSH 074629 SSH 074630 SSW 074631 SSW 074632 SSM 074634 SSH 074636 SSM 074639 SSH 074640 SSH 074641 SSH 074642 SSH 074643 SSM 074645 SSH 074646 SSW 074648 WSOR074649

MODEL C313: 98 UNITS @ \$16,000.00 EACH \$1,568,000.00

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ANNEX III TO SCHEDULE TO LEASE INTENDED FOR SECURITY

DATED AS OF DECEMBER 29, 1989 AMONG

SOUTHERN PACIFIC TRANSPORTATION COMPANY,

AS LESSEE,

FIRST INTERSTATE BANK OF CALIFORNIA, AS TRUSTEE AND

CHASE COMMERCIAL CORPORATION,
SUN LIFE ASSURANCE COMPANY OF CANADA
SUN LIFE ASSURANCE COMPANY OF CANADA
AND

CHRYSLER CAPITAL CORPORATION AS LESSORS

		нУн	11B11	"C"	"C"	"D"	"D"	
Rental	Rental	Rental	Rental	Rental	Balloon	Rental	Balloon	
Payment	Payment	Payment	Payment	Payment	Payment	Payment	Payment	Total
Number	Date	Amount	Amount	Amount	Amount	Amount	Amount	Payment
1	29-Mar-90	1,431,747.18	159,083.02	181,500.00	0.00	385,989.82	0.00	2,158,320.02
2	29-Jun-90	1,431,747.18	159,083.02	181,500.00	0.00	385,989.82	0.00	2,158,320.02
3	29-Sep-90	1,431,747.18	159,083.02	181,500.00	0.00	385,989.82	0.00	2,158,320.02
4	29-Dec-90	1,431,747.18	159,083.02	181,500.00	0.00	385,989.82	0.00	2,158,320.02
5	29-Mar-91	1,431,747.18	159,083.02	181,500.00	0.00	385,989.82	0.00	2,158,320.02
6	29-Jun-91	1,431,747.18	159,083.02	181,500.00	0.00	385,989.82	0.00	2,158,320.02
7	29-Sep-91	1,431,747.18	159,083.02	181,500.00	0.00	385,989.82	0.00	2,158,320.02
8	29-Dec-91	1,431,747.18	159,083.02	181,500.00	0.00	385,989.82	0.00	2,158,320.02
9	29-Mar-92	1,431,747.18	159,083.02	181,500.00	0.00	385,989.82	0.00	2,158,320.02
10	29-Jun-92	1,431,747.18	159,083.02	181,500.00	0.00	385,989.82	0.00	2,158,320.02
11	29-Sep-92	1,431,747.18	159,083.02	181,500.00	0.00	385,989.82	0.00	2,158,320.02
12	29-Dec-92	1,431,747.18	159,083.02	181,500.00	0.00	385,989.82	0.00	2,158,320.02
13	29-Mar-93	1,431,747.18	159,083.02	181,500.00	0.00	385,989.82	0.00	2,158,320.02
14	29-Jun-93	1,431,747.18	159,083.02	181,500.00	0.00	385,989.82	0.00	2,158,320.02
15	29-Sep-93	1,431,747.18	159,083.02	181,500.00	0.00	385,989.82	0.00	2,158,320.02
16	29-Dec-93	1,431,747.18	159,083.02	181,500.00	0.00	385,989.82	0.00	2,158,320.02
17	29-Mar-94	1,431,747.18	159,083.02	181,500.00	0.00	385, <i>9</i> 89.82	0.00	2,158,320.02
18	29-Jun-94	1,431,747.18	159,083.02	181,500.00	0.00	385,989.82	0.00	2,158,320.02
19	29-Sep-94	1,431,747.18	159,083.02	181,500.00	0.00	385,989.82	0.00	2,158,320.02
20	29-Dec-94	1,431,747.14	159,083.02	181,500.00	7,500,000.00	385,989.66	8,000,000.00	17,658,319.82